



Daily Report

East Asia

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Japan

Tokyo Wants 'Fair' Auto Talks With Observers

OW0806065595 Tokyo KYODO in English
0647 GMT 8 Jun 95

[FBIS Transcribed Text] Tokyo, June 8 KYODO — Japan wants "fair discussions" with third party observers next week when it meets the United States to discuss its complaint against threatened U.S. trade sanctions, the top trade bureaucrat said Thursday [8 June].

Tomio Tsutsumi, vice minister of the Ministry of International Trade and Industry (MITI), said he has heard that the U.S. has rejected a European Union (EU) request to attend as observers during the Monday and Tuesday talks at the World Trade Organization (WTO) in Geneva.

But he told a regular news conference the decision is likely not final, citing chances for the EU to negotiate with the U.S. on European participation or for the EU to file its own complaint with the WTO.

Tsutsumi said he understands that the U.S. has agreed to allow Australia to join the talks as an observer.

The EU trade chief, European Commission Vice President Leon Brittan, has already threatened a WTO complaint if Japan and the U.S. cut a deal that excludes European companies.

"Based on third party participation, we want fair discussions" on Tokyo's WTO complaint against Washington over the threat of 100 percent punitive tariffs on 6 billion dollars worth of Japanese luxury cars, Tsutsumi said.

In proposing the Geneva talks, which met Japanese demands for speedy action, U.S. Trade Representative Mickey Kantor called for comprehensive discussions of the bilateral auto row, which would include the U.S. assertion that Japan's auto and auto parts market is closed.

But Japan insists the talks be limited to its complaint about the sanctions.

The U.S. will not try to force Japan to talk about cars and would likely not be sending auto negotiators to Geneva, a U.S. official in Tokyo said this week. But he expressed regret that such limited talks would not lead to a solution of the trade row.

Tsutsumi said Foreign Ministry officials will go to Geneva and that the top MITI official will be Tadakatsu Sano, head of the International Economic Affairs Department of the International Trade Policy Bureau.

He predicted Sano's counterpart will be someone "of not too high a rank," presumably from Kantor's office.

Repeating that the two sides will decide at the end of the June 12-13 talks whether to hold subsequent discussions, Tsutsumi said he thinks the U.S. is operating on the same premise.

Kantor earlier sought a package agreement to June 20-21 talks in Washington as well.

Tsutsumi also confirmed that as expected, MITI Minister Ryutaro Hashimoto will go to the June 15-17 summit of the Group of Seven industrialized nations in Halifax, Canada, but that the substance of his visit has not been decided.

Kono, Christopher Agree To Resume Aviation Talks

OW0806041495 Tokyo KYODO in English
0331 GMT 8 Jun 95

[FBIS Transcribed Text] Tokyo, June 8 KYODO — Foreign Minister Yohei Kono and U.S. Secretary of State Warren Christopher have concurred on the need for early conclusion of Japan-U.S. aviation talks, a Japanese Government spokesman said Thursday [8 June].

Kono and Christopher agreed on this in a telephone conversation Wednesday night, Chief Cabinet Secretary Kozo Igarashi told a news conference.

The Japan-U.S. aviation negotiations ended in rupture Sunday due to wide gaps over the so-called "beyond rights" for U.S. airlines under a 1952 bilateral aviation pact.

Tokyo considers the rights — which allow airlines to fly on to third countries — unbalanced in favor of U.S. carriers.

Kono and Christopher also agreed to hold talks on June 15 just prior to a planned Japan-U.S. Summit in Halifax, Canada, Igarashi said.

They will confer before Prime Minister Tomiichi Murayama meets U.S. President Bill Clinton in Halifax, where they will attend the annual summit of the Group of Seven industrialized countries.

Kono and Christopher are expected to underscore the importance of overall Japan-U.S. relations despite the dispute over trade in autos and auto parts.

Talks May Continue 'Deadlocked'

OW0806093695 Tokyo KYODO in English
0920 GMT 8 Jun 95

[FBIS Transcribed Text] Tokyo, June 8 KYODO — Japan and the United States will hold a vice ministerial

meeting Sunday [11 June] in Washington on stalled bilateral aviation talks, Japanese Vice Transport Minister Michihiko Matsuo said Thursday.

He said Masahide Ochi, vice transport minister for international affairs, will attend the Washington talks.

Matsuo said the aviation talks have run into difficulties mainly because the U.S. is asking Japan to approve 11 new U.S. cargo air routes all at once.

Unless the U.S. reconsiders the request, the talks will continue to be deadlocked, he said.

He also denied the possibility of the transport ministers of both countries meeting in Washington for talks on the issue.

Tokyo May Adopt U.S. Meteorological Project

*OW0706134495 Tokyo MAINICHI SHIMBUN
in Japanese 29 May 95 Morning Edition p 3*

[Unattributed article: "The U.S. Navy's Budget Cut Affects the U.S. Marine Meteorological Agency's Project in the North Pacific"]

[Text] As the U.S. Marine Meteorological Agency's project to measure sea water temperature in the North Pacific will probably be discontinued, the Japanese Science and Technology Agency has begun to study whether it should take over the project, which aims to gather data that is vital for understanding the mechanism of climate changes, as well as for forecasting climate changes. This project has been conducted with the U.S. Navy's financial support. The U.S. Marine Meteorological Agency is now compelled to discontinue it because of a lack of funds, which was caused by the U.S. military budget cut. Many meteorological studies, such as the research on global warming, will be affected considerably once the project is discontinued. A research commission to the Japanese Science and Technology Agency recently submitted a report, in which it stressed that Japan should take the initiative in marine meteorological research by taking over the project. The Japanese Science and Technology Agency is now calculating the project cost, to examine if it will be possible to include it in the next fiscal-year budget.

The U.S. Marine Meteorological Agency has been conducting the project since the beginning of the 1970's, with the help of civilian ships sailing the Pacific. It has been supplying civilian ships with sea water temperature sensors, called XBT. Data obtained by the ships have been transmitted directly to countries' meteorological agencies via satellite.

During the busiest period, the U.S. Marine Meteorological Agency measured sea water temperature at about

3,000 different points a year. The Japanese Meteorological Agency also measures sea water temperature. However, its measurement is limited to Japanese waters. Moreover, it is able to measure the sea water temperature of a specific point only four times a year. Thus, the Japanese Meteorological Agency has practically been relying on the United States for data covering the entire North Pacific.

The U.S. Navy has supposedly been financing the project with an eye to using the sea water temperature data for calculating the speed of sound waves and tracking submarines. However, it stopped providing financial assistance in October 1993, following the military budget cut. In 1993, the U.S. Marine Meteorological Agency measured sea water temperature at about 2,000 different points. Last year the measurement was made at only 1,500 points.

The Research Commission For Utilizing Civilian Ships in Marine Research, which is headed by Professor Kimio Hanawa of Tohoku University Graduate School, was set up by the Japanese Science and Technology Agency in November 1994. In its report, the commission stressed that Japan should take the initiative in this field. "We should contribute to the progress of other nations' marine research by establishing a data center in Japan," Professor Hanawa said.

According to Professor Hanawa, it will be necessary to measure sea water temperature at 5,500 different points a year in order to draw an accurate sea water temperature chart, and the procurement of XBT sensors alone will cost 60 million yen a year.

Tokyo To Present New Economic Plan at Halifax

*OW0806082595 Tokyo MAINICHI SHIMBUN
in Japanese 6 Jun 95 Evening Edition p 4*

[FBIS Translated Text] At the Japan-U.S. summit at Halifax in Canada on 15 June, Prime Minister Tomiichi Murayama will stress that Japan intends to revitalize its economy by taking additional actions for deregulation and market liberalization, and will say that concrete measures for these actions will be included in Japan's new economic plan (for 1995-2000), it was disclosed by a governmental source on 6 June. This means the economic plan will come to bear a nature of "international commitment" responding to growing demands — in relation to the Japan-U.S. auto talks — that Japan should open up its market.

The work of drafting the new economic plan to replace the current "Five-Year Economic Plan (1992-1996) has been carried out by the Economic Council, which is an advisory panel to the prime minister, since January.

The new plan will include concrete action plans such as those for deregulation and correction of some business practices, while targeting completion of these actions by 2000. Furthermore, the plan will flesh out specific programs to promote investments in Japan, correct gaps in domestic and foreign prices, to promote competition, and to expand investments in public works projects. The council will prepare an intermediate report on the plan before the Japan-U.S. summit, and submit a final report before the end of this year.

In the rough going Japan-U.S. auto talks, it has been pointed out that a reason for the United States being so rigid in its stand is the country's huge trade deficit with Japan. Likewise, while supporting Japan's trade policy in the auto talks, the EU and other nations also demand that Japan open up its market.

Therefore, the government has studied about adopting additional measures for market liberalization and deregulation. But as there is little time left before the Japan-U.S. summit on 15 June, the government has decided to explain an outline of the new economic plan and to announce its intention of positively dealing with these matters.

As for the question of setting numerical targets on reducing the trade deficit as demanded by other countries, meanwhile, the government thinks it is difficult to comply with such demand as it believes "that will lead to managed trade."

Murayama's Presence at G-7 Summit Previewed

*OW0806012495 Tokyo KYODO in English
2319 GMT 7 Jun 95*

["News Focus" by William Mallard: "Murayama Takes Vague Hopes, Few Expectations to Halifax"]

[FBIS Transcribed Text] Tokyo, June 8 KYODO — Prime Minister Tomiichi Murayama will pack up a set of general hopes but few specific expectations when he heads for Canada next week to meet his counterparts from six other industrial powers.

Murayama says he wants to discuss land mines and the new breed of terrorism seen recently in Tokyo and Oklahoma, and the reform of international institutions is to be a main topic at the Group of Seven (G-7) summit, but little concrete action is likely, say senior government officials preparing for the June 15-17 summit.

"Fundamentally, this year's summit will not be very different from Naples," the site of last year's gathering, said a top Foreign Ministry official.

Murayama can at least hope not to repeat at Halifax, Nova Scotia, his diplomatic debut in Naples, where he

fell ill and had to be replaced by Foreign Minister Yohei Kono for much of the summit. That performance was summarized by one American newspaper wag with an unflattering allusion to Caesar — "he came, he saw, he conked out."

Even if the 71-year-old premier stays fit when he meets the British, Canadian, French, German, Italian and U.S. leaders, hopes are low for tangible results from the second-day economic declaration or the chairman's statement that will end the meeting.

"From a hard-hitting forum of policy coordination, it's slipping into being a weekend retreat," said Jesper Koll, head of economic and market research in Tokyo for J.P. Morgan Securities Asia Ltd.

"Even the surroundings have changed from the big power centers to the countryside, and the danger is that that is becoming an omen for what is happening in terms of decision-making," said Koll, who also watches Japanese politics for the brokerage.

Asked what, specifically, Japan wants most out of the political statement, Hiroshi Fukuda, deputy foreign minister for political affairs, said only that the possibility is high that a laundry list of Tokyo concerns will be discussed "in some way."

Fukuda cited war and hostage-taking in Bosnia-Herzegovina, the new terrorism symbolized by the Tokyo nerve gas attack and the Oklahoma federal building bombing, North Korea's suspected nuclear ambitions, how to maintain post-Cold War peace and stability, curbing nuclear and conventional weapons of mass destruction, reforming global institutions and coaxing Iran to act "in line with international hopes."

Despite the lack of decisive action, though, officials say the talks among the leaders, who will include Russian President Boris Yeltsin for the political debates, will be a good chance for some of the world's most powerful men to level with each other.

Economically, the G-7 leaders will call for early warning systems to prevent Mexico-type financial crises and quick-response measures to handle such emergencies, including such specifics as faster access to International Monetary Fund (IMF) financing, and they will urge the IMF to sell gold to aid the poorest countries, according to a draft obtained by KYODO NEWS SERVICE.

The leaders will praise economic growth in most G-7 countries while urging reductions in unemployment, but on the heated issue of currency rates, the May 27 draft promises only "close consultation and effective cooperation on macroeconomic policies."

That wording is softer than the April call by the G-7 finance ministers and central bankers for an "orderly reversal" of recent gyrations that have seen the dollar plummet against the yen and German mark.

"What we're learning the hard way is that the Cold War is over, that policy coordination is a matter of each and every single government," Koll said. "On the currency as well as on trade, the issue is a bilateral one."

The G-7 leaders may discuss currencies, although the finance advance-men recommended leaving the market-sensitive issue to the ministerial level, according to a senior Foreign Ministry official.

If the presidents and prime ministers discuss foreign exchange — where the high yen is hammering the export-reliant Japanese economy but the U.S. Federal Reserve is reluctant to raise interest rates to help the dollar when the U.S. economy seems to be abruptly cooling its growth — the leaders will be cautious in what they reveal in the economic communique, the official said.

"The only currency response is policy coordination and market intervention," said the official on condition of anonymity.

On trade, the leaders will likely repeat recent boilerplate supporting the new World Trade Organization (WTO) and implementing global trade accords, say officials of the Foreign Ministry, which is coordinating Japan's summit participation, and of the Ministry of International Trade and Industry, which is leading Japan's WTO fight against threatened U.S. auto trade sanctions.

The top headline item is a Naples leftover — reforming such postwar institutions as the IMF, the World Bank and even the United Nations on the 50th anniversary of the end of World War II.

Reform ideas abound. Another senior Foreign Ministry official cited cutting the overlap in lending by the World Bank and the IMF, as well as the four or five UN agencies doling out emergency aid. In terms of approach, Japan strongly supports rethinking demands for structural reform by recipient countries, such as in Africa, that have ignored social, historical and racial factors, he said.

And yet, action on reforming global institutions will be general, officials say, adding that the G-7 should lead in pushing for reform but cannot force decisions on other countries and noting that talks on such issues as revising the Security Council are already under way within the UN.

The main debate will be on "supporting efforts to reform" the council, on which Japan wants a permanent seat, said the Foreign Ministry's Fukuda.

When Yeltsin joins the political discussions, the G-7 leaders will confront him about Moscow's war with the breakaway region of Chechnya, about which "we are extremely concerned," Fukuda said.

On the other hand, he said, Russia is a needed partner on such issues as European security and bringing peace to the Former Yugoslavia and the Middle East, he said.

But, noting the chairman's political statement is a consensus document and not a record of the G-7 leaders' closed-door debate, officials said it will reflect support for Russian economic, political and diplomatic reform.

The summit wild card, which makes Japan's bureaucrats tremble, is that the momentary whims of the leaders themselves can send the discussion straying from the carefully scripted guidelines.

Clinton might take up pet projects, Italian Prime Minister Lamberto Dini could draw on his years of experience at the IMF to talk circles around his counterparts, Yeltsin is not the type to be daunted by criticism and new French President Jacques Chirac is "flamboyant" and a "bulldozer" who might push his point tenaciously on the world stage, officials say with more than a hint of foreboding.

Unlike with cabinet ministers, when the presidents and prime ministers gather, a senior bureaucrat says as he shakes his head, "They can say whatever they want and you can't stop them."

Rate Cuts Set on Loans to Developing Nations

*OW0806085295 Tokyo KYODO in English
0732 GMT 8 Jun 95*

[FBIS Transcribed Text] Tokyo, June 8 KYODO — Japan plans to cut annual interest rates on its yen-based loans to developing countries by 0.3 to 1.0 percentage point, retroactive to April 1, government officials said Thursday [8 June].

In addition, interest rates on yen-based loans to help promote environmental programs of developing countries will be reduced by an additional 0.2 percentage point, the officials said.

The rate cuts will not apply to loans to the least-among-less-developed countries (LLDCs), which are already eligible for the minimum interest rate of 1 percent, they said.

Yen-based loans to developing nations carry interest rates of between 1.0 and 5.0 percent, depending on the nations' economic development.

Prime Minister Tomiichi Murayama will announce the rate cuts at the Group of Seven (G-7) summit opening June 15 at Halifax, Canada, the officials said.

The reduction reflects a decrease in basic interest rates on funds from the government's fiscal investment and loan program.

It will be the first revision in interest rates on yen-based loans since 1991, when they were raised by 0.1 point, and will be the first cut since fiscal 1988.

China, Indonesia and other developing countries have been asking for a cut in the rates to reduce their debt burdens after the yen's recent surge on the foreign exchange market.

Under the government plans, the rate on loans to the more developed among developing countries will be cut from 5.0 percent to 4.0 percent, the officials said.

The present rate of 3.0 percent will be cut to 2.7 percent and that of 2.6 percent will be lowered to 2.3 percent, they said.

The special interest rate for environmental programs will not apply to the more advanced among the developing countries and to LLDCs.

Envoy Urges Reform of UNSC by Sep 1996

OW0606034695 Tokyo KYODO in English
0216 GMT 6 Jun 95

[FBIS Transcribed Text] New York, June 5 KYODO — Japanese envoy to the United Nations Shunji Maruyama on Monday [5 June] called for the issue of reforming the UN Security Council, including a possible increase in its permanent members, to be resolved by September 1996, diplomatic sources said.

Maruyama made the appeal at an informal meeting of a UN working panel set up last year to study reforms of the UN Security Council, they said.

At the meeting, the Japanese envoy reiterated that Tokyo is ready to become a permanent member of the Security Council, the sources said.

Maruyama's appeal came against the backdrop of slow progress in the panel's debate over UN Security Council reforms due to differences among UN member countries, making it difficult to reach agreement during the current 49th General Assembly session.

It is widely believed that the issue will have to be left for the 50th session of the UN General Assembly to decide.

SDPJ Panel Takes Cautious Stance

OW0806110395 Tokyo KYODO in English
0949 GMT 8 Jun 95

[FBIS Transcribed Text] Tokyo, June 8 KYODO — A study panel of Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) unveiled a foreign policy platform Thursday [8 June] taking a cautious stance on a Japanese permanent seat on the UN Security Council (UNSC).

The platform calls for a drastic reform of the Economic and Social Council (Ecosoc), a UN organization devoted to policy coordination between the United Nations and specialized UN agencies, and urges Japan to have a key Ecosoc post to contribute to the international community in nonmilitary fields.

It calls for regular ministerial meetings of Ecosoc and changing the council into two new organizations compatible with the UN Security Council — one on development and the environment, and the other on human rights.

The panel supports a freeze on Japanese participation in UN peacekeeping forces involving combat operations and proposes forming a special organization — instead of the Self-Defense Forces — to deal with peacekeeping operations.

The platform will serve as the basis of foreign policy to be sought by the SDP, one of the three parties making up the ruling coalition.

Murayama To Urge Chirac To End Nuclear Tests

OW0706131395 Tokyo KYODO in English
1257 GMT 7 Jun 95

[FBIS Transcribed Text] Tokyo, June 7 KYODO — Prime Minister Tomiichi Murayama will urge French President Jacques Chirac during an upcoming visit to Paris that France continue to honor an international moratorium on nuclear testing, government sources said Wednesday [7 June].

Murayama will point to the nuclear powers' pledge to exercise "self-restraint" with regard to nuclear tests, a pledge renewed in May at an international conference of parties to the 178-nation nuclear Nonproliferation Treaty (NPT). The moratorium is intended to lead to a comprehensive test ban treaty.

Murayama will meet Chirac for bilateral talks June 19 upon his return from a three-day summit of leaders of the Group of Seven (G-7) economic powers in Halifax, Canada.

With the exception of China, which conducted another underground test only last month, the other nuclear powers — Britain, France, Russia and the United States — have halted nuclear tests in support of international efforts to reach a global test ban in 1996.

However, during his presidential campaign Chirac vowed to lift the freeze on nuclear tests decreed in April 1992 by his socialist predecessor, Francois Mitterrand, if experts consider such a move necessary to keep up with the modernization of military nuclear technology.

French Defense Minister Charles Millon said Tuesday an expert panel had concluded that nuclear testing is necessary, strongly hinting at a possible resumption of nuclear tests.

In response to Millon's statement the Hiroshima chapter of the Japan Council Against Atomic and Hydrogen Bombs, a major antinuclear group, sent a petition to Chirac Wednesday calling on France to refrain from new tests.

The group argues a resumption of testing would undermine the NPT framework and increase the danger of nuclear proliferation, thwarting early conclusion of a global test ban treaty and violating pledges made at the NPT conference in May.

DPRK Said Ready for Beijing Rice-Aid Talks

OW0806075495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Jun 95 Morning Edition p 1

[FBIS Translated Text] The DPRK (North Korea) has informed the ruling coalition of its stance on the rice aid issue. It said: 1) the DPRK is ready to hold South-North Korean talks in Beijing to discuss rice aid; and 2) the talks will be held between "public corporations" of the two nations but not between the governments, a source close to the ruling parties revealed on 7 June. Having conveyed this information to the ROK Government, the ruling parties are now engaged in final coordination to realize the rice aid program.

Tokyo, Seoul Agree on Military Air Safety

OW0706141095 Tokyo SANKEI SHIMBUN in Japanese 6 Jun 95 Morning Edition p 2

[FBIS Translated Text] On 5 June, the Self-Defense Forces [SDF] and the Ministry of Defense of South Korea exchanged notes on "the prevention of accidental air collisions between military planes of the SDF and the South Korean Armed Forces." This is the first time that defense and military authorities of both nations have concluded an agreement on working defense affairs. With the notes exchanged between the SDF and the

South Korean Ministry of Defense, units of both nations in charge of preventing accidental air collisions will maintain round-the-clock communications for the first time.

The two nations will give each other advance notice of their flight plans to prevent accidental air collisions, and they will not scramble their military aircraft once they are put on notice. On a few occasions in recent years, the SDF has scrambled its aircraft against South Korean military aircraft, but the SDF will no longer do so after the exchange of notes between the military authorities of the two nations.

Airspaces to be covered by the agreement are mainly the airspace over Tsushima Strait near the air defense identification zone (ADIZ) of Japan and South Korea and the airspace over the open sea near Kitakyushu. The airspace over Take Island, which is disputed by the two countries, is excluded.

Igarashi on War Resolution, Old Weapons in PRC

OW0706132895 Tokyo ASAHI Newstar Television Network in Japanese 0145 GMT 7 Jun 95

[News conference by Chief Cabinet Secretary Kozo Igarashi with unidentified reporters at the prime ministers' official residence on 7 June — recorded; from the "Flash Report: News Conferences" program]

[FBIS Translated Excerpt] [Igarashi] Good morning. Last night an excellent draft of the [war-denouncing] Diet resolution was worked out after much hard work by the ruling coalition parties. [passage indistinct] I would like to express my deepest respect for the efforts made by the concerned ruling-coalition-party officials. It is my heartfelt desire that the resolution will be adopted unanimously. Please go ahead with questions, if you have any. [passage omitted]

[Unidentified reporter] What is the government planning to do about the former Imperial Japanese Army's poison gas and chemical weapons found in China?

[Igarashi] Regarding the disposition of chemical and other weapons left in China by the former Imperial Japanese Army, we have already sent fact-finding missions to China from time to time beginning three years ago. This year, we just sent over a mission, and we also have further plans to send missions there in the future. According to investigations, the weapons in question apparently belonged to the former Imperial Japanese Army. Therefore, we would like to fully consult with the Chinese Government regarding how to straighten out the matter, and in order to gain China's understanding, we should act with sincerity. This is how I feel. [passage omitted]

Researcher on Imperial Army Gassing Chinese

OW0806090495 Tokyo KYODO in English
0826 GMT 8 Jun 95

[FBIS Transcribed Text] Tokyo, June 8 KYODO — The Japanese Imperial Army killed nearly 1,000 farmers in a Chinese village with poison gas in 1942 to eradicate communist resistance forces fighting Japanese invasion, according to research by a Japanese office worker in Hong Kong.

The research will be published in the weekly magazine "SHUKAN KINYOBI" in four editions beginning Friday [9 June].

Hideaki Ishikiriya, 34, interviewed Chinese survivors at the village of Beitun in Ding County, Hebei Province, and former Japanese military personnel, according to the article's text.

After studying at Beijing University for three years, Ishikiriya traveled to the village in 1988 and met with survivors of the gas operation, which lasted about 50 days beginning in May 1942.

Li Dexiang, who was 66 years old when he was interviewed by Ishikiriya, headed a local militia team at the time of the attack.

Li joined others in an underground shelter during Japan's invasion of the village May 27, 1942, according to Ishikiriya's report.

The Japanese threw a poison gas weapon into the shelter, injuring the militia members, elderly and children inside, the report quoted Li as saying.

The troops then dragged the people from the shelter and killed them, Li reportedly said.

Ishikiriya also found a memorandum of an officer of the army's Regiment 163, which conducted the operation, that includes a passage on the use of poison gas. Interviews with that officer as well as a second one confirmed the use of gas, the report said.

The Japanese Army began producing poison gas in 1929 on Okuno Island, Hiroshima Prefecture. According to a report on research conducted by the U.S. Military after World War II, Japan had produced 7.46 million shells of poison gas by the end of the war.

An in-house document on studies by the Chinese People's Liberation Army says Japan used poison gas about 2,000 times during the 1937-1945 Sino-Japanese war.

Vessel Departs for Sakhalin With Relief Goods

OW0706134295 Tokyo KYODO in English
1240 GMT 7 Jun 95

[FBIS Transcribed Text] Sapporo, June 7 KYODO — A Maritime Safety Agency vessel carrying relief goods for earthquake victims on Sakhalin set sail from Wakkanai Port on the northern tip of Hokkaido on Wednesday [7 June], agency officials said.

The Rebun, a patrol boat, is loaded with 1.4 tons of relief goods including 68 wheel chairs which were donated by social welfare organizations in Hokkaido following requests for aid from Sakhalin, the officials said.

The Rebun is scheduled to land the goods at Korsakov Port in southern Sakhalin on Thursday.

A magnitude 7.5 earthquake hit the Russian far east island May 28 causing vast destruction and claiming the lives of almost 1,400 local residents and injuring many others.

Government To Provide ODA to PLO

OW0706132695 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 5 Jun 95 Morning Edition p 1

[FBIS Translated Text] The government decided on 4 June to provide aid to the PLO via Official Development Assistance (ODA) programs. Since Japan still has not formally recognized Palestine as an independent state, this will be the first time that Japan will grant ODA to a state it does not officially recognize. By utilizing ODA programs as a tool for attaining its policy goals, Japan hopes to step up its support for the Palestinians and partake a more active role in contributing to the Middle East peace process. A decision is to be made at a cabinet meeting in July regarding a plan to extend 3.5 billion yen in grant-in-aid, with an additional installment of three billion yen to go to the PLO by the end of the current fiscal year. Regarding the issue of providing relief rice supplies to the DPRK (North Korea), however, the government has maintained the position that providing aid to North Korea via ODA programs is out of the question because Japan "does not have diplomatic relations" with that country. Therefore, it is possible that the government decision to offer ODA to the PLO may have a subtle impact on future negotiations between Japan and North Korea over normalizing their diplomatic relations.

So far, the government has maintained the policy of rejecting the granting of ODA to countries which Japan does not officially recognize on grounds that it is uncertain as to whether such countries are capable of repaying Japan, and also as to for what purposes they plan to use Japanese funds. Exceptions to this rule are

the so-called "grass-roots grant-in-aid" programs under which the government has extended small-scale aid not exceeding 10 million yen to local public organizations and nongovernmental organizations in various countries. Even these organizations, however, must meet the requirement that they are "organizations belonging to countries which Japan officially recognizes."

Regarding Palestinian aid, Japan pledged at a ministerial conference held in October 1993 to support the Middle East peace process to implement a program to offer \$200 million over two years. However, Japan has restrained this program to indirect aid via such international organizations as the UN Development Program (UNDP) and the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

The government made this latest policy change to provide aid to the PLO via ODA programs because it has determined that ever since Israel and the PLO agreed on the "Declaration of Principles on Interim Palestinian Self-Rule" in September 1993, the Middle East peace process has steadily progressed — as indicated by such events as the beginning of an interim self-rule by the Palestine Authority (PA) in the Gaza Strip and Jericho districts — and that an "environment is taking shape in which the PLO will be recognized as an official government by the international community in the near future" (as stated by a senior Foreign Ministry official). There is a political angle to the Japanese decision in that Japan, in a bid to strongly appeal to domestic and overseas sentiments that it plans to step up Palestinian aid, wants to regard the PLO as the "Palestinian state."

Funds which Japan plans to extend in July via grant-in-aid programs are to go toward such projects as building hospitals in the Gaza Strip and purchasing medical equipment and physical and chemical apparatus.

Regarding the possible impact which the Japanese decision to provide direct aid to the PLO may have on negotiations with North Korea over normalizing diplomatic relations, the government has maintained the stance that providing aid to North Korea via ODA programs is impossible, saying: "It is natural that there is a difference in how we treat North Korea, which has not completely cleared itself of doubts about its suspected development of nuclear arms, and the PLO, which has been instrumental in promoting peace in the Middle East" (as stated by a senior Foreign Ministry official).

Diplomatic Strategy of ODA Programs Examined

OW0706144195 Tokyo ASAHI SHIMBUN
in Japanese 4 Jun 95 Morning Edition p 3

[Article by Shinichi Murakami, of the Foreign Affairs Department: "Feeling Out 'ODA as a Tool of Strategy'; A Diplomatic Negotiating 'Card' To Encourage Democratization and Disarmament — But Government Undaring Because Such Manipulation Was Not Anticipated in 'ODA Outline' and Complaints Voiced About 'Unfair Manipulation'; from the "From Hour to Hour" column]

[FBIS Translated Text] Japan has become the largest donor nation via its Official Development Assistance (ODA) programs for the fourth consecutive year, and the existence of "Japan, the Donating Superpower" has become prominent. For Japan, which cannot use military power as leverage in attaining its foreign policy goals, its ODA programs are an invaluable negotiating "card." Japan's use of this card as part of its diplomatic strategy has become increasingly noticeable as indicated in its scaling down of grant-in-aid programs to China in protest of the latter's recent nuclear tests, and the delaying of yen loans to Iran, which is suspected of supporting terrorism. Since such manipulations of the ODA programs were not anticipated when the government drew up its "Outline of ODA Programs," which stipulates principles governing the disbursement of ODA, the government cannot help but remain timid. The effectiveness of such manipulations is also uncertain. Thus, it seems that the government is failing to use its invaluable "card" effectively.

Effectiveness

"We have stopped exporting land mines." So said a letter sent by the foreign minister of South Africa to the Japanese Foreign Ministry after Japan decided to extend a total of \$1.3 billion in aid to South Africa last summer. This is one example where the Foreign Ministry can proudly say: "Japan's ODA program has proved effective."

Following the inauguration of a democratic government in South Africa through a nationwide election in which all South Africans, regardless of race, participated last June, news spread through the country that it planned to increase arms exports. The Japanese Government sent a fact-finding mission there and issued a warning to the South African Government by directing the latter's attention to a principle laid out in the ODA outline which says Japan will "take full account of arms trade and other trends" of ODA recipients. The letter was South Africa's response to this warning.

Another "example of success" in which Japan managed to gain favorable results with the administration of its ODA programs is the case of Indonesia, which is the largest cumulative recipient of Japanese ODA funds. Last year, Indonesia's Ministry of Research and Technology asked the country's Finance Ministry for approximately \$450 million in budget allocations to fund the cost of repairing 39 former East German-made warships. The Finance Ministry showed reluctance at the request, uncertain of "what Japan might say about this." This happened because the Finance Ministry knew that Japan was very sensitive to increases in an ODA recipient country's military spending. As a result, the budget allocation for the Research and Technology Ministry was reportedly reduced to one-third of what the ministry had asked for.

Limitations

"The purpose of ODA programs are, in principle, to encourage democratization in recipient countries and facilitate the process of shifting their economies to a market economic system. We have no intention to impose penalties against recipient countries when administering the programs." This is the Foreign Ministry's official view on ODA programs. At times, however, it turns out that the administration of ODA programs can actually become instrumental in imposing "penalties" against recipient countries. An example of this is Japan's decision last month to scale down grant-in-aid to China in protest against the latter's nuclear tests.

However, the Japanese Government has left untouched yen loans which make up the main portion of its aid programs to China in fear that reducing yen loans could damage bilateral relations decisively. The Japanese Foreign Ministry, for its part, does not believe that reducing economic aid would stop China from conducting nuclear tests. As a matter of fact, China is prepared to continue tests until 1996, maintaining that it would "discontinue tests when the Comprehensive Test Ban Treaty (CTBT) takes effect."

ODA programs also do not seem to be very effective in "encouraging democratization and facilitating the shift to a market economy." Last March, the Japanese Government, which had suspended aid to Burma since a military coup d'etat occurred in 1988, resumed ODA to that country, although strictly limiting the program to the area of "humanitarian aid." The government has asked Burma to improve the situation in the country, saying: "Taking an extra step toward democratization in a way that is visible to us would lead to increased aid from Japan" (as stated by Yohei Kono, deputy prime minister and concurrently foreign minister). However,

moves to release Aun Suu Kyi from house arrest are hardly visible.

Balance

Sudanese Ambassador to Japan Mahjoub al-Basha has expressed displeasure at the Japanese Government's administration of its ODA programs, saying: "The guidelines for administering ODA programs are unfair."

Sudan is one of the countries for which aid has been suspended in accordance with the ODA outline. Oppression of democratization efforts by the Sudanese military junta and human rights issues are the reasons for Japan's decision to suspend aid.

al-Basha has brought up an argument against the Japanese Government, referring to the case of Burma. He has charged: "In Burma, the military junta continues to rule the country, and human rights are being violated there, according to UN reports on human rights. Since Japan has resumed aid to Burma, why has it not treated Sudan in the same way?"

A senior Japanese Foreign Ministry official admits the inconsistency, saying: "There is no denying that aid may not be extended equally to all recipients, because it is difficult to gather sufficient information regarding regions which are geographically distant and with which Japan has little historical ties."

Professor Toshio Watanabe of the Tokyo Institute of Technology, who is an expert on the administration of aid programs, warns: "The current situation is that Japan must pursue a more strategic approach regarding aid to Asia in the post-Cold War era. The ODA outline is not in line with reality since it was worked out under an idealistic atmosphere that temporarily appeared immediately after the collapse of the Cold War structure. Therefore, I feel it may become meaningless in the future."

Active Role in Global Economic Debate Urged

OW0806090795 Tokyo KYODO in English
0835 GMT 8 Jun 95

[FBIS Transcribed Text] Tokyo, June 8 KYODO — A government advisory panel said Thursday [8 June] Japan should actively take part in international discussions on establishing a global economic framework based on the Uruguay Round trade-liberalizing agreements.

The recommendation was made in an interim report published by a study group under the Economic Council at the Economic Planning Agency.

The report said Japan should not only create an open economic system but also "present frank opinions and

exchange views with other countries" to play an active role in global society.

Japan should also present a "grand design" for the world on the basis of its external and internal economic policies, the report said.

It said Japan should compete with other industrial countries on the basis of market mechanisms and cooperate with them in solving global problems, while aiding developing countries in their economic expansion.

Draft Report of New Economic Plan Reviewed

OW0706145695 Tokyo ASAHI SHIMBUN

in Japanese 4 Jun 95 Morning Edition p 1

[FBIS Translated Text] The Economic Council (an advisory body to the prime minister) plans to draw up a new economic plan (for the period 1995 to 2000), and the full text of a draft report entitled "Japan Free and Full of Vitality," which has been compiled by the Economic Panel of the Economic Council and will become the centerpiece of the new economic plan, has come to light. The draft report, in its analysis, says the costs of ten fields including financial service and agriculture are higher in Japan than Europe and the United States, and those fields stand in the way of revitalizing Japan's economy. The draft report proposes that the government relax the current regulations and redress the current business practices, including the rebate system, by the year 2000. The government will formally release the draft report after the ministries and agencies concerned coordinate their opinions on 13 June.

The draft report points out that Japan has the dual economic structure where highly productive sectors that can compete internationally and low productive sectors that are separated from international competition coexist. The low productive sectors such as financial services, agriculture, and housing are highly subject to government regulations and those sectors have become a factor in the current price differentials between Japan and other nations because they are closely related to production and consumption.

Pointing out that there are ten fields whose costs are higher in Japan than other industrial nations, the draft report stresses: "The government should set targets for redressing the high costs, set targets for the relaxation of regulations and the redressing of current business practices, and make clear when to formulate and implement a policy for upgrading the current infrastructure."

The ten fields referred to by the draft report are: 1) Physical distribution [butsuryu]; 2) energy; 3) distribution channel; 4) telecommunications; 5) financial services;

6) passenger transport service; 7) agricultural production; 8) public works; 9) housing construction and 10) standards and certifications.

Specifically, the draft report calls on the government to ease the current regulations on transactions on the offshore market separate from the domestic market and the current regulations on the new offering of stocks in the financial services. The draft report also calls on the government to ease the current regulations on materials required for farm production. The draft report calls the current rebate system in oil transactions in the energy sector, the quotation system, and the return-good system in the distribution sector "inefficient business practices and obstacles to competition." Any failure to supply funds to venture enterprises which found new businesses prevents the economy from revitalizing. For this reason, the draft report calls for relaxing the current standards for offering stocks in order for enterprises to smoothly raise funds on the stock market.

The Economic Council was asked by Prime Minister Tomiichi Murayama in January of this year to draw up the new economic plan, the 13th such economic plan in the post-war years, to replace the current "Five-Year Plan for Building Japan Into a Life-Style Power (from 1992 to 1996)". Four panels — including the Economic Panel headed by Shoichiro Toyoda, president of the Federation of Economic Organizations of Japan — of the Economic Council have been working on the new economic plan. The four panels plan to compile an interim report this month and compile a final report within this year.

MOF To Release Bad Loan Disposal Package

OW0806065995 Tokyo KYODO in English

0635 GMT 8 Jun 95

[FBIS Transcribed Text] Tokyo, June 8 KYODO — The Finance Ministry [MOF] will announce Thursday [8 June] a new package to expedite disposal of banks' nonperforming loans, calling for an expanded role of Deposit Insurance Corp. and the use of special loans of the Bank of Japan (BOJ), the ministry said.

The package is designed to clear in five years huge bad loans that have squeezed many of Japan's financial organizations since the burst of the speculative "bubble" economy of the late 1980s, ministry officials said.

BOJ special loans would be offered with the invocation of Article 25 of the BOJ law that provides an unlimited amount of money, they said.

As conditions to use special BOJ loans for particular financial organs, the package cites maximum streamlining efforts, resignation of management staff, full assistance

by parent banks and burden-sharing by shareholders, the officials said.

The package will also call for promotion of mergers and acquisitions among banks as a way to strengthen their earnings positions, they said.

The measures are to be taken transitionally before the government completes within five years crafting a framework to make possible payments by Deposit Insurance Corp. to depositors of failed financial institutions, the officials said.

Deposit Insurance Corp. has a mechanism to pay back a maximum of 10 million yen in deposits to each depositor of a bankrupt lender but such payments have never been implemented.

The package, dubbed "how to make Japan's financial system function well," will give concrete shape to five-year pump-priming measures the government adopted in April.

The package will be announced amid a sense of crisis over a possible downturn in the fledging economic recovery, which has been retarded by the strong yen, the worsening job market and a huge amount of bad loans.

Such loans are also blamed for the doldrums in the stock market because financial bodies have been forced to sell stocks for better balance sheets.

The package will also stress the need to review reconstruction of housing loan companies, which have been hardest hit by bad loans, with all of them incurring pre-tax losses in the latest business year.

Nonperforming loans by all Japanese financial institutions are estimated at 40 trillion yen, including undisclosed loans with interest rates reduced or exempted.

Industry Leader on Bad Loan Liquidation

OW0806091295 Tokyo KYODO in English
0837 GMT 8 Jun 95

[FBIS Transcribed Text] Tokyo, June 8 KYODO — The head of an industry association of trust banks said Thursday [8 June] individual financial institutions should promote write-offs of bad loans on their own, regardless of a package for expediting such write-offs being worked out by the Finance Ministry.

Ken Fujii, chairman of the Trust Companies Association of Japan and president of Mitsui Trust and Banking Co., made the remark at a news conference while commenting on the package before the ministry announces it late Thursday.

Fujii also said Jyuso Inc., a housing loan company owned by Japan's seven trust banks, has sufficient operating funds although it is saddled with liabilities in excess of its assets.

Large amounts of nonperforming loans weighing on the earnings of Japan's financial institutions are regarded as one of the factors retarding Japan's economic recovery, along with the yen's surge on the foreign exchange market and the worsening job market.

'News Focus' Views Panel Debate on NTT Split

OW0806061095 Tokyo KYODO in English
0456 GMT 8 Jun 95

["News Focus" by Keiji Urakami: "Panel Begins Debate on NTT Split"]

[FBIS Transcribed Text] Tokyo, June 8 KYODO — A government panel has begun to study the idea of breaking up Nippon Telegraph and Telephone Corp. (NTT), Japan's de facto telecommunications monopoly, into smaller entities.

But there will be probably many twists and turns on the politically sensitive issue before consensus is struck by the March 1996 deadline.

The split, if realized, would become the biggest reform of Japan's telecom industry since NTT was privatized in 1985.

A special organ set up in the Telecommunications Council embarked on the task Wednesday [7 June] in line with an instruction issued by the Posts and Telecommunications Ministry in early April.

Behind the move are strong subscriber calls for the government to take steps to rectify Japan's relatively expensive charges for phone and other telecom services.

Those who support the breakup also stress the need to enhance the Japanese telecom industry's global competitiveness, with the national boundary in the business area increasingly disappearing.

At the heart of debate is whether or not competitive elements can be effectively infused into NTT, the biggest corporation in Japan, by dividing it into more efficient and slimmer units.

The Fair Trade Commission has already begun a probe into the current form of NTT, which enjoys nearly 80 percent of total telecom-related revenues in Japan, from a point of antimonopoly policy.

NTT's rival common carriers, backed by the telecom ministry, are vocal about an early breakup of NTT, while NTT is strongly opposed to the idea, citing a

possible stall in the fledging multimedia industry in the absence of NTT as a giant entity.

NTT president Masashi Kojima said, "The situation surrounding Japan's telecom industry has totally changed from five years ago when we had only to discuss the matter by taking into account telephone sectors and domestic competition."

Wireless telecom services, cable televisions and facsimile services are rapidly replacing traditional telephone services, said Kojima. "The future of Japan's multimedia services is closely related to the form in which NTT will be operated."

Kojima downplayed the significance of the U.S. experience on liberalizing its telecom industry, saying the division of AT&T Corp. into seven regional bells has not been as successful as believed.

"The division injected vitality into the U.S. computer and telecom sectors but not into the telephone sector," he said.

When the council was formally asked to study the matter, its head, Sho Nasu, sounded neutral about the issue, citing the need to consider both the interest of NTT shareholders and the Japanese telecom industry's international operations in the future.

Five years ago, the same council proposed NTT's breakup into one long-distance operator and several regional companies for intracity services.

But the telecom ministry finally dropped the idea and decided to freeze debate until the current fiscal year, due to stiff opposition from NTT and the Finance Ministry, which was concerned about the action's possible negative impact on the stock market.

Behind the aborted effort was also believed to be strong lobbying by influential politicians who hold NTT shares in large lots.

In Japan, three telephone companies are competing with NTT in long-distance services, but NTT's monopoly of local services puts the three at disadvantage because the others are dependent on NTT's local networks to connect their customers with the long-distance trunk networks.

With the entry of these three carriers, long-distance rates in Japan were cut in half but current levels are still double those in major Western countries.

As for leased circuits for corporate customers, rates in Japan are about six times those in the United States, for example.

NTT claims already loss-making intracity services would become more unprofitable under an independent

management in the breakup, pushing up local rates and eventually leading to scrapping of services in deficit-ridden areas.

But the telecom ministry says a breakup would be favorable for those to be divided, referring to a turnaround into the black of NTT Data Communications Systems Corp. after its 1988 independence from NTT. NTT Data suffered losses for 15 years in a row when it operated as a division of NTT.

Proponents of an NTT split also cite expected diversification of Japan's telecommunications services.

They claim creation of new telecom services has been hampered in Japan in the past, due to NTT's monopoly of city phone lines, connection with which by new carriers are indispensable for offering such services.

Last year, a dispute between NTT and the three new long-distance operators over a line connection for new data services ended in NTT's defeat as the telecom ministry finally stepped in and ordered NTT to improve the situation.

Following the ministry arbitration, NTT clarified its policy to meet all requests from its rivals for opening its city lines on condition they would bear the proper costs.

The decision apparently allows NTT to claim any factors that would hinder new services have been cleared away and thus to insist a change in NTT's operations is not necessary.

Semiconductor Project Planned With U.S. Group

*OW0806085195 Tokyo KYODO in English
0819 GMT 8 Jun 95*

[FBIS Transcribed Text] Tokyo, June 8 KYODO — The Japanese and U.S. semiconductor industry groups have agreed to undertake a project to develop new chips for products such as digital videodiscs and camcorders, industry officials said Thursday [8 June].

Named the "emerging applications cooperative project," the design-in scheme aims to combine advanced U.S. semiconductor technology with Japanese equipment technology, said the officials of the electronic industries association of Japan and the U.S. Semiconductor Industry Association.

The groups also agreed to continue efforts to tap the rapidly growing semiconductor market by exchanging trade missions and promoting relationships between the Japanese and foreign semiconductor industries, they said.

Asked whether the Japanese semiconductor market could be opened up further, William Weber, vice chairman of the U.S. association and vice chairman of Texas Instruments Inc., only said the two sides are making steady progress in cooperating and achieving market access.

The foreign share in the Japanese chip market now exceeds the 20 percent level that was set as a goal in a bilateral accord in 1991.

Weber stressed that bilateral cooperation has replaced confrontation seen seven or eight years ago when U.S. and Japanese semiconductor executives began talks on industry issues because it makes good business sense.

Asked for views on the U.S.-Japan auto trade talks that have hit a quagmire, Tori Sato, chairman of the Japanese association's Users Committee of Foreign Semiconductors, said he could not give advice or opinions on the activities of another industry.

Murayama Cabinet Approval Rating Dips

*OW0806000995 Tokyo KYODO in English
2330 GMT 7 Jun 95*

[FBIS Transcribed Text] Tokyo, June 8 KYODO — The approval rating of Prime Minister Tomiichi Murayama's cabinet in early June fell 2 percentage points from March to 25 percent, according to a national newspaper poll published Thursday [8 June].

In a multiple-choice question, 79 percent of respondents cited Murayama's lack of leadership and 48 percent complained about his administration's pump-priming measures, the MAINICHI SHIMBUN said.

The MAINICHI polled 3,000 eligible voters June 2-4 and had a response rate of 75 percent.

The daily said its latest survey shows 34 percent disapprove of the Murayama government, unchanged from the last poll.

The Murayama cabinet's approval ratings have continuously dropped from 40 percent to 34, 29, 27 and 25 percent. The cabinet was inaugurated June 30.

The support rate for Murayama's Social Democratic Party plunged to an all-time low of 6 percent while the Liberal Democratic Party, the largest component of the tripartite coalition government, enjoyed a 4 percent surge in its support rate to 27 percent.

Shinshinto (New Frontier Party), the largest opposition party, was backed by 11 percent in the MAINICHI poll. Forty-five percent responded that they have no specific political party to support, down from 51 percent in the March survey.

Murayama on Timing of Coalition Policy Agreement

*OW0806112195 Tokyo KYODO in English
1107 GMT 8 Jun 95*

[FBIS Transcribed Text] Tokyo, June 8 KYODO — Prime Minister Tomiichi Murayama said Thursday [8 June] he does not mind if the ruling coalition fails to map out a new policy agreement before the June 15-17 Group of Seven summit in Halifax, Canada.

"It's not intended for the summit, so there is no need to stick to doing it beforehand," Murayama told reporters.

Murayama had said he expected a new coalition policy agreement to come before the summit.

Murayama's Social Democratic Party [of Japan, SDPJ] and its two coalition partners, the Liberal Democratic Party and New Party Sakigake, have been trying to hammer out a new policy agreement to replace one agreed upon when they formed the coalition last year.

Murayama expressed hope that the three parties will reach a new policy accord before the July House of Councillors election so that they can fight the upper house poll with a common campaign promise.

"Each party could fight the upper house election on its own policies...But our cabinet is a coalition, so there is a need to make public what we will do," Murayama said.

In a related development, a senior government official said the government could not make a final decision before the summit on whether to send Japanese troops for UN peacekeeping operations in the Israeli-occupied Golan Heights.

The official cited slow progress in ironing out differences over the issue among the three parties in the coalition.

The SDP has opposed Japanese participation in the Golan mission on concern it could involve combat-related operations frozen under Japan's UN Peacekeeping Cooperation Law.

Article Views NFP Shadow Cabinet' Activities

*952B0165A Tokyo USHIO in Japanese May 95
pp 144-153*

[Article by Eiji Oshita]

[FBIS Translated Text] The Need for Crisis Management

Toshihiro Nikai is responsible for the NFP [New Frontier Party] shadow cabinet's national land and transportation policies. Shortly after 3:00 p.m. on 17 January

1995, when the Kobe earthquake struck, Nikai was flying over Kobe City. He had obtained permission from the Ministry of Transportation for an emergency flight to the earthquake site and had chartered a helicopter from a private company at Okayama Airport. Nikai arrived there sooner than did Kiyoshi Ozawa, director-general of the National Land Agency. The entire area was enveloped in flames. Nikai telephoned Takeo Nishioka, the NFP chief coordinator, and described the disaster scene to him. Nishioka's response: "I have asked Secretary-General Ozawa to contact you as soon as he arrives at Narita Airport."

Ozawa was scheduled to return to Japan from the United States that day at sometime after 3:00 p.m. At about 3:50 p.m., Nikai, still in the helicopter, used his cellular phone to call Ozawa on his car phone. After hearing Nikai's detailed report, Ozawa asked, "What should I do?" Ozawa seemed inclined to head immediately for Haneda Airport from Narita, and then fly to Kobe, if Nikai had answered, "please come right away." Nikai thought for a moment. Even if Ozawa proceeded directly to the disaster site, he wouldn't arrive until after nightfall. He couldn't go on an inspection tour at night. Ozawa would certainly have reporters following him. Such a visit might add more chaos to an already chaotic situation, which would be counterproductive. Nikai replied, "I'll be returning to Tokyo tonight. I'll give you my report tomorrow morning, so please stay in Tokyo."

On the following day, Nikai met with NFP President Toshiki Kaifu, Ozawa, and Nishioka, and presented his report. The three men decided that the party would do everything it could to help in the relief effort, and that it would dispatch a second survey team headed by Kaifu. Subsequently, Nikai made several more trips to the earthquake scene. Other NFP members also visited the scene carrying backpacks. At some point, Ozawa told Nikai, "I want to be included the next time some of our people visit the site carrying backpacks." Later, the NFP established the NFP Earthquake Recovery Support Headquarters in Kobe. The purpose was to support volunteer activities and to establish and then maintain close contact with Hyogo Prefecture, Kobe City, and other cities, towns, and villages in the earthquake zone. Ozawa's enthusiasm for supporting the recovery effort has spread to the shadow cabinet, as well as to the NFP. To Sadao Hirano, NFP member and possibly Ozawa's most cherished advisor, Ozawa's enthusiasm was spurred by the government's pathetic response to the earthquake. Hirano has been acting as liaison between Ozawa and the members of the NFP's Disaster Recovery Project, and as advisor to the project. Ozawa urged Hirano, "I want to hear about any ideas that come

into your head. I'll take all the responsibility. Just be sure you do a thorough job of it."

Ozawa is one politician who is particularly sensitive about crisis management. On 25 January, he held a press conference at which he outlined his views on crisis management. "1) We should set up an emergency disaster relief headquarters and other systems that furnish the prime minister with emergency powers. Politicians must have the authority to lead in crisis situations, within the limits of the existing legal system; 2) as far as mid- to long-term measures are concerned, we should establish procedures not currently provided for by Japan's laws and social policy, and which would apply to emergency situations; and 3) when we design such procedures, we must plan not only for natural disasters, but for every possible eventuality." On 11 February, Ozawa held another press conference in Morioka. During that conference, when he was speaking about Prime Minister Murayama's responsibility vis-a-vis government action in the aftermath of the earthquake, Ozawa stated that decisions should be made by the prime minister when such events occur. "It is a fact that the government was slow to respond. Our leaders bear a heavy responsibility for that. Politicians must make their own decisions."

Nikai made the following comments about how Ozawa would have responded to the earthquake if he had been secretary-general of the ruling party. "Private corporations, local government, and individuals must all act when a crisis arises. But in a situation as chaotic as this one, Ozawa probably would have decided that the central government should disburse all necessary funds. After that, contributions could be solicited from the local government and the private sector. The next priority would have been to erect 10,000 temporary housing units. Ozawa would have arranged to pay for them by issuing deficit bonds or by asking the nation's citizens for their cooperation. In any case, he would have formulated a viable plan. Secretary-General Ozawa would certainly have been able to make all these decisions within a three-day period. Japan has some leaders who obfuscate the issues with abstract slogans, such as a gentle government,' and other leaders who, though they are criticized for being heavy-handed, have the ability to make decisions and execute policies. Which type of leader is better? Which type will bring happiness to the Japanese people? Ozawa has never made decisions lightly, and he has taken full responsibility for every one of them. During the Gulf War, he was determined to get Japan to make an additional contribution of 9 billion dollars to the war effort. When local government was pitted against the central government during the Tokyo gubernatorial election, and his candidate was defeated, Ozawa was quick to resign from his post as

secretary-general. If our current leaders possessed the decisiveness and forcefulness that Ozawa demonstrated on those occasions, the earthquake would not have been the disaster it was."

Illness and a Mother's Death

On 1 February, Ozawa visited Aomori Prefecture to lend his support to a candidate in the gubernatorial election there, despite the fact that he was suffering from a cold. On 11 February, he attended a ceremony marking the establishment of the Homemakers' Federation in his home prefecture, Iwate. More work-filled days and trips between Tokyo and other regions ensued. Ozawa's cold worsened. On 12 February, Ozawa placed a telephone call to Sadao Hirano. Surprisingly enough, Ozawa likes the telephone. He often shocks his friends and associates by calling them out of the blue. When Hirano answered, Ozawa said, "It looks as though I've really ruined my health. How are things going at the Diet? I'm worried about the New Democratic League [Shinminren]. Has it made any moves?" Hirano had been busy gathering information. After he'd given his report to Ozawa, the latter commented, "I guess the New Democratic League can't take any real action, what with the earthquake..."

On 17 January, the day the Kobe earthquake hit, Sadao Yamahana, chairman of the New Democratic League submitted statements from 17 SDPJ [Social Democratic Party of Japan] members of the Lower House and 7 members of the Upper House (for a total of 24) to the SDPJ's executive committee announcing their resignation from the party. The group's intention was to form a new party. Ozawa, upon hearing the numbers, told Hirano that they were higher than he had expected. But not all 24 are kindly disposed toward the NFP. Ozawa has divided the New Democratic League into three groups: Those who favor the NFP, middle-of-the-roaders, and those who oppose the Ozawa-Ichikawa alliance. Ozawa is not under the illusion that the New Democratic League move will benefit the NFP to any great extent. But one thing is certain. If those 24 members desert the SDPJ, the Murayama government will be weakened. This is what interests Ozawa. However, due to the Kobe earthquake, the New Democratic League has been treading water. Some sources were predicting that the new party would be formed in April, after the combined local elections were held. Not Ozawa, though. "The SDPJ is bound to suffer a stunning defeat in the combined local elections. When that happens, I wonder if the would-be deserters will have enough energy to split the party. I don't think they will." When he spoke to Hirano, Ozawa's voice was devoid of its usual energy, possibly because of his illness. Hirano was wor-

ried. He thought: "This is strange. I know he has a cold, but even so, he sounds terrible."

The truth was that at that very moment, Ozawa's mother, Michi, was at the point of death. Early the next morning, 13 February, Michi died. She was 94. Ozawa accompanied Michi's body from the Nihon University Hospital to her home in Mizusawa City, Iwate Prefecture. The ceremonies were private, with only relatives and local supporters in attendance. On 4 March, at the funeral, there were no offerings of flowers or incense from fellow politicians, because Ozawa had asked his colleagues to refrain from sending them. This was Ozawa's idea, but he was strongly influenced by Michi, who always said: "Never impose upon others." Ozawa retreated from public view for a while, partly because of his health, and partly because of his mother's death. He has often disappeared behind the scenes during a political crisis, to lobby or maneuver. This time the rumor was that he was selecting a candidate for the Tokyo gubernatorial election.

On 27 February, Ozawa appeared at an executive meeting of the NFP and at a Lower House session for the first time in two weeks. Hirano believes that Ozawa is a changed man after his mother's death. "When anyone loses his mother, he suffers serious emotional trauma, and Ozawa was very close to Michi. Her death was a major turning point in his life. He'll feel more self-sufficient. I also think that he'll be a more balanced person."

Policies Designed To Create a Two-Party System

On 28 February, Kozo Watanabe, acting NFP secretary-general (who has aligned himself with Ozawa since the two were first elected to the Diet in 1969) showed up at the press center. He was there to speak at a scheduled lecture series, attended by editorialists and bureau chiefs from major news organizations. A portion of his speech follows: "The cost of the Murayama government's delay in reacting to the Kobe earthquake was 5,000 precious lives. But we, the opposition, are partly to blame for that government's coming into power, and we must not forget that. We are faced with policy problems, the most serious of those being our aging society and the unchecked rise in the value of the yen. If we do not do something now, our country will be in a terrible state 10 years from now. I feel deeply responsible for that. However, if we were to attempt to take over the government, that would mean that we, the NFP, and the LDP [Liberal Democratic Party] would be fighting over the SDPJ. We would ultimately be in the same position as the current government, namely, keeping the government alive by humoring the SDPJ."

"The current government's main focus is using abstract slogans like a government that is kind to people' and a government that is kind to the environment' to appeal to the public for support. No attempt has been made to draft much-needed economic policies, because if it were, the Murayama government would collapse. The LDP wants to stay in power, so it hasn't done anything. We must be mindful that the present situation is the result of our having vied with our former allies in our quest for power. We must realize that we are partly to blame, and that we are responsible for allowing grudges to prevent us from engaging in genuine politics. We must divest ourselves of these grudges, and must unite with those who believe in the same principles and policies, and establish a government. If we do not, we have no chance of implementing the policies that the public wants."

On 1 March, at a press conference, Ozawa seemed to be concurring with Watanabe. The media picked up on this and started spreading a rumor that Ozawa wished to unite all the conservatives in one party. Ozawa's comment: "Theoretically, it's a possibility. But the parties themselves will not merge... neither the LDP nor the SDPJ would accept that. No progress has been made either with crisis management to deal with disasters when they occur or with administrative reform. The NFP and the LDP should work together on major political problems like these... as long as our goal is two major parties, we can't go back to where we started. Elections should determine which party is to govern."

Shortly after this, Watanabe met with Keizo Obuchi, LDP vice-president. The main topic discussed was the Tokyo gubernatorial election. At that meeting, they also agreed that both parties had been foolish, that both recognized that that foolishness may not have been in the best interests of Japanese citizens, and that they should put aside old grudges for the sake of those citizens.

Watanabe thinks that there is a strong possibility of a coalition between the NFP and part of the LDP. If that is to be, they will have to start thinking seriously about a suitable candidate for prime minister. They can no longer cling to mean-spirited strategy, namely, "if I support him, then I'll hold the real power." In an emergency situation, it is the prime minister who must take action. The fact that the current prime minister is the Socialist Murayama is the reason the initial earthquake relief efforts got off to such a late start. Watanabe's opinion is that the NFP must take it upon itself to select the politician who will make the best prime minister and not simply support someone whom its members can manipulate. In other words, Watanabe is not insisting that the prime minister be an NFP

member. He is even prepared to support someone from the LDP, if necessary. There are many LDP members who are qualified, including LDP Vice President Keizo Obuchi and MITI head Ryutaro Hashimoto.

It remains to be seen, however, whether the NFP can work with sympathizers of the former Shinseito within the LDP. After all, the NFP has no intention whatsoever of teaming up with "corrupt" members of the LDP, like Yohei Kono, who will agree to anything to stay in power. When the story spread that Obuchi was planning to attend Ozawa's mother's funeral, the rumor that a merger of all the conservative forces was in the offing gained credibility. But Obuchi, perhaps because of those very rumors, suddenly cancelled his plans to attend the service. On 13 March, Ozawa expressed his opposition to the idea of achieving political reorganization by forming a conservative union with the LDP. "The NFP was created out of a desire to establish two major parties. Merging with the LDP would go against the spirit in which the party was formed."

Ozawa also touched upon the possibility of a reconciliation among the former members of the Takeshita faction, facilitated by the LDP's Obuchi faction and the former Shinseito group. His comment: "There is no point in a reconciliation. It would be meaningless, since we would not be able to obtain control of the government." But he did not exclude the possibility of cooperating with the LDP for the purpose of getting policies implemented. "I have no objection to cooperation among independent political parties when a major political force is needed, for instance, in dealing with problem related to administrative reform, crisis management, or foreign affairs."

Two Credit Unions and the Tokyo Gubernatorial Election

Normally when a new party is formed, its public approval rating rises, a sort of congratulatory present. But this was not the case when the NFP was born on 10 December 1994. Watanabe's explanation of that phenomenon is as follows: "One factor is the election for party president. Many people were convinced that Ozawa and Ichikawa were forcing everyone to accept Toshiki Kaifu as party head. What would have happened if Hata had won, and Kaifu had lost? There is no doubt in my mind that Takeshi Noda, Yuji Tsushima, and others who followed Kaifu when he deserted the LDP would have accused us of having used Kaifu and then tossing him aside. The media would have added fuel to the flames, and perhaps the NFP might have fallen apart. It is too bad about Hata, but Kaifu was our only choice at the time." Watanabe adds that neither he nor Ozawa played more than a minor role in that election. "If I were

forced to single someone out, then I'd have to say that it was Toshio Yamaguchi who did the most aggressive maneuvering. He was after the NFP secretary-general slot. He went overboard trying to please Ozawa. The result was that what we expected to be a narrow margin in the election became an unexpectedly large one. That's why our public approval ratings sank to such a low level."

However, the public did respond to the appeal on the part of Watanabe and his colleagues ("Please help us nurture a political party that will become one of two major parties, both of which are capable of assuming the reins of government.") At one point, the NFP's public approval rating was 24.5 percent, high enough to compete with the LDP. But then the story of the mismanagement of two credit unions, the Tokyo Kyowa and Tokyo Anzen credit unions, surfaced. The names of two key NFP members were linked to them, and the party's rating plunged to 16 percent, and then to 9 percent. Support for the NFP has tended to rise and fall sharply. "The NFP held any number of executive meetings about the credit union problem. The outcome was our decision that now that financial liberalization is making headway, this problem is one that we must pay attention to, if we are going to correct the defects of the Japanese economy, and we must address it seriously. In other words, we decided to shed our own blood."

On 1 March, Ozawa spoke about bailing out the two credit unions at a press conference. "If the special emergency measures formulated by the government do not win the approval of the public and of the prefectural assembly, then we will have a truly serious problem on our hands." What Ozawa meant was that if the Tokyo Prefectural Assembly does not pass the supplementary budget bill incorporating funds for rescuing the credit unions, responsibility will fall on the Murayama cabinet and on Finance Minister Takemura.

Furthermore, Ozawa has divulged his relationship with Harunori Takahashi, former director of the Tokyo Kyowa Credit Union, who has been charged with malfeasance. "I know him, and I have met with him, but I know nothing about his business dealings, and I've never discussed them with him." Ozawa's position on the Tokyo Kyowa and Tokyo Anzen credit unions has remained consistent. "Investigate this problem until you get to the bottom of it." Ozawa says he is not familiar with past dealings of relatives of Toshio Yamaguchi (who has left the NFP) with Takahashi. He claims that his path did not cross Yamaguchi's much in those days. Apparently, Ozawa has also told his aide, Keisuke Nakanishi, in no uncertain terms, that he wants to get to the bottom of the credit union problem. What Ozawa is worried about is the possibility that the ruling

party will deliberately focus on the suspicions about Toshio Yamaguchi and Keisuke Nakanishi, and cause the truth to be distorted by using the media to blow those suspicions out of proportion. Ozawa is also consistent in his views about how the credit union problem should be handled. "Public funds should not be used to bail them out. The Long-Term Credit Bank of Japan should shoulder the responsibility for solving this problem. If necessary, it can be handled as a write off."

On 10 March, the NFP's Election Committee held a meeting at which it was decided that party members would decide individually whom to back in the Tokyo gubernatorial election. This was a decision that had previously been made by the party's Tokyo organization, and the Election Committee ratified it unanimously. After the meeting, Ozawa made the following comments at a press conference: "Since this is a local election, even though it will be held in Tokyo Prefecture, our decision must conform to and respect that made by the local organization." When asked how NFP members' voting independently in the Tokyo election would affect the overall outcome of the combined local elections, Ozawa replied, "I don't think it will have a positive effect but, at the same time, I don't think there will be much of an effect on other gubernatorial elections." Ozawa is leaving the Tokyo gubernatorial election entirely in the hands of Diet members elected from Tokyo, and prefectural assemblymen. He is close to Nobuo Ishihara (former deputy chief cabinet secretary), who has announced his candidacy, but isn't attempting to influence anyone.

However, Hirano reports that his impression was that Ozawa was extremely disappointed when Kunio Hatoyama, who had previously been enthusiastic about running for governor, decided against doing so. Ozawa seems to have wanted to back NFP candidates in at least Tokyo, Osaka, and Hokkaido, and thus to set up a system that could compete with the LDP. The NFP did not back the candidate supported by the LDP, Nobuo Ishihara, but decided to vote independently. A group of Tokyo Diet members (led by Hiroshi Yamada), are backing Tetsundo Iwakuni, former mayor of Izumo. Some see this situation as a sign that Ozawa's power is declining, and that he's no longer in control. But according to Hirano, they are totally off base. "Once we've decided to vote as individuals, it's perfectly logical for each member to make up his own mind. Ozawa can't interfere. Actually, I'm one of those individuals."

The Master Personnel Strategist's Plan for Rebuilding Japan

They say that the late Kakuei Tanaka used money to control people, and that former Prime Minister Takeshita used solicitude or paternalism. According to

Watanabe, "Ozawa has always controlled people with his consummate skill in arranging personnel matters. The ultimate attraction for a master like that lies in the selection of cabinet members. In his LDP days, Ozawa had virtually total control over appointments to the first Miyazawa cabinet and later to the Hosokawa cabinet. Now, however, he's languishing in the opposition. For someone who derives such satisfaction from personnel matters, this is a truly sad situation. His only consolation is in devoting himself to selecting candidates to succeed current NFP members."

Recently, Ozawa's attention has turned to economic policy with a vengeance. He believes that demand should be increased, and that the middle class should have a higher standard of living. Hirano comments that "Rengo understands Ozawa's ideas. In fact, Rengo has invited him to be a guest speaker at one of their functions on 5 April. When the Hosokawa government was in office, Ozawa was considering a project that entailed setting up a nationwide information system, using optic fibers. The ruling party hasn't done anything about that. I doubt that there's anyone in the ruling party who could come up with an idea like that. It would help improve the economic situation."

Hirano is hoping that Ozawa will turn his ideas for national projects into NFP economic policy. An example of such a project is the one that would move central government functions out of metropolitan Tokyo. "It was Ozawa who first mentioned this project to me when I was an executive of the Lower House. He asked me to draft a bill proposing it." Hirano believes that the decentralization project was Ozawa's idea. "This decentralization project, as well as the nationwide information network, would help alleviate the high yen problem. The ruling party is not going to do anything about deregulation. All it can come up with is abstract ideas. Things start to happen only when you get real projects off the ground. The initial funding for these two projects could come from the government, and gradually be picked up by the private sector. Economic policies cannot be formulated without consideration for national security. Seventy percent of the content of Japan-U.S. relations and economic issues concerns national security. Eliminating economic disparities is the best thing we could do in the interest of our national security. If we can forge policies that allow us to maintain an actual economic growth of 3 percent, and if we can unite politicians behind the same goals, Japan will be a better place."

Ozawa is reportedly working on the second volume of *Blueprint for a New Japan*. Will it contain his ideas about economic policies? We may soon see yet another side of Ozawa, Ozawa the economist.

Cabinet Ministers Weigh Aum Cult Disbandment

OW0806091495 Tokyo KYODO in English
0844 GMT 8 Jun 95

[FBIS Transcribed Text] Tokyo, June 8 KYODO — Four cabinet ministers will gather Friday [9 June] morning to compare notes on a plan to seek the dissolution of the Aum Shinrikyo cult, government officials said Thursday.

The ministers — Chief Cabinet Secretary Kozo Igarashi, Justice Minister Isao Maeda, Education Minister Kaoru Yosano and National Public Safety Commission Chairman Hiromu Nonaka — will weigh whether to apply the 1952 Subversive Activities Prevention Law to Aum, the officials said.

Prosecutors have indicted Aum leader Shoko Asahara on charges of murder and attempted murder in the March 20 sarin nerve gas attack on the Tokyo subway system. The attack killed a dozen people and injured some 5,500 others.

Aum has already been designated as a violence-prone group subject to surveillance under the law. The dissolution of Aum under the law would be controversial in terms of the constitutionally guaranteed freedom of religion.

The law empowers the Justice Ministry's Public Security Investigation Agency to designate any group that has engaged in violent activities in the past or is deemed likely to engage in such actions in the future as a dangerous organization subject to surveillance and investigation.

'Key' Aum Shinrikyo Cult Officials Profiled

952B0169A Tokyo SANDE MAINICHI in Japanese
30 Apr 95 pp 28-33

[Article by SANDE MAINICHI special reporting team: "Police Versus Aum—Officials of Cult Being Arrested One After the Other!"]

[FBIS Translated Text] "Final Investigative Effort" Focuses on Arrest of Cult Founder Asahara

Police authorities have repeatedly executed a nationwide investigation in arresting in rapid succession officials of the Aum Shinrikyo, including a heart surgeon and a former organized crime leader. It now seems that the "final battle" between police and the Aum cult will focus on the arrest of cult leader Shoko Asahara.

The Shinjuku railway station was enveloped by a tense feeling of a "strict alert."

The main entrance to the station, railcar platforms, and underground concourses were almost empty, despite the

fact that it was a weekend. Uniformed policemen were seen in groups of twos and threes, monitoring the scene with eagle eyes.

Cult leader Asahara had prophesized in his book that an "earthquake would occur" on that day, which was 15 April. However, the "earthquake" had been displaced by rumors of "sarin" and Shinjuku took on a depressing atmosphere with the police outnumbering ordinary citizens.

"Sarin will be spread in the area centering on Shinjuku," is the type of rumor which had been spread. The public is haunted by such rumors because the fear of sarin terrorism is imbedded deep in their minds.

The Tokyo Metropolitan Police Agency and other investigative authorities mobilized a total strength of about 5,000 to simultaneously raid 130 Aum facilities nationwide the previous day, the 14th.

Those raids could be called the prologue leading to X-Day, and the appeals made by officials at the 12 April "National Investigators Conference," which served as the "inaugural forum" for coordinated investigations, was charged with emotion.

Two points were emphasized at the conference: the discovery of sarin ingredients and verification of the whereabouts of the Aum officials still to be arrested. Several times during the conference, it is said that emotions were audibly vented from the sections occupied by investigative officials as if to confirm a unified move in support of the investigations.

In reality, the investigative authorities have launched their raids with a determined posture.

Initially, the authorities arrested suspect Koichi Ishikawa (26), an official of the "Monk-Emperor Secretariat" which is the confidential group which serves the third daughter, the supposed future successor of cult leader Asahara, for using an alias when registering at a hotel. Additionally, interrogations have begun of suspect Shinichi Koshikawa (30), who holds the same title of Seigoshi as legal consultant Yoshinobu Aoyama and who had been in contact with the younger sister of Kiyoshi Kariya, the kidnapped administrative chief of a notary office.

Investigations of cult units engaged in so-called "secret work" or "behind-the-scenes work" involving kidnappings and imprisonment have been sharply intensified, leading to the arrest on the streets of Chiyoda ward, Tokyo, of Tomoaki Niimi (31), who once served as secretary to cult leader Asahara and who is currently filling the position of minister of internal affairs.

On the other hand, Tetsuya Kibe (39), arrested on suspicion of trespassing in a building, is suspected of having engaged in the manufacture of handguns as "minister of defense," leading to intensive investigations of fire arms.

Further, Kiyohide Hayakawa (Minister of Construction), whose whereabouts is currently unknown, is suspected by the criminal and public security specialist teams of having been in control of the cult's execution units, thus leading to an intensive search for his whereabouts.

The question now is what sort of investigative course have the authorities plotted for the future.

With reference to the successive arrests of cult officials, investigative officials of the Tokyo Metropolitan Police Agency explain the aim is to decimate the command and communications line between cult leader Asahara and his followers and to close in on his whereabouts. In other words, the idea is to "use simultaneous raids to dismantle their facade and destroy their communication lines by arresting cult officials."

The investigative official also reveals that suspicions have been intensified on two counts against cult leader Asahara.

The first count pertains to "instructions issued by Asahara to kidnap and imprison a former Self-Defense Forces cult member from Osaka who wanted to leave the cult," a charge substantiated by confiscated documents and testimony by an arrested cult member.

The second count pertains to preparatory murder charges wherein he directed the purchase of sarin ingredients.

The investigative official displayed confidence in the progress of the investigations in saying, "If we arrest cult member scientists who were involved in the production of sarin, we should be able to substantiate preparatory murder charges against cult members including the leader. Finally, of course, there is the murder charge associated with the sarin incident, and inspections of the chemical plant have produced conclusive evidence in support of such a charge."

Arrested confidants of cult leader Asahara have chosen to resist and remain silent while engaging in hunger strikes and yoga poses, but the police authorities are determined to solve the case before the upcoming holiday season when an onrush of tourist movements normally takes place. A look at the progress made thus far on the investigations indicates that the battle between the police and the Aum cult has definitely entered its final phase.

However, there is still the question of what sort of final move cult leader Asahara and his radical group will make when they are cornered. Despite the nationwide search, still to be uncovered are the whereabouts of Tsuyoshi Matsumoto and other suspects for whom arrest warrants are outstanding, members of the chemical team who engaged in the production of sarin, and sarin gas itself.

Authorities must maintain their alert inasmuch as cult members have decided that it would be unwise for them to approach any of the nationwide cult facilities known to investigative authorities as seen in the case of suspect Matsumoto and have chosen to assimilate themselves into the "masses."

Organizational Structure of Aum Shinrikyo Cult
(based on survey of investigative authorities)

- Holy Monk Emperor (Shoko Asahara)
- Holy Monk Emperor's Secretariat—Cult Leader's Third Daughter, with actual duties assumed by Koichi Ishikawa
- Ministry of Finance—Hisako Ishii, assisted by Tatsuya Ueda

- Ministry of Justice—Yoshinobu Aoyama
- Ministry of Construction—Kiyohide Hayakawa, assisted by Kiyohide Nakata, Tađao Furukawa, and Tsuyoshi Matsumoto (arrest warrant outstanding)
- Ministry of Internal Affairs—Tomoaki Niimi
- Ministry of Defense—Tetsuya Kibe
- Ministry of Science and Technology—Hideo Murai, assisted by Masami Tsuchiya
- Ministry of Medicine—Ikuo Hayashi—affiliated hospitals run by Masayuki Hirata, Kenichiro Katahira, and Masaaki Sasaki (chief physician to cult leader; arrest warrant outstanding)
- Ministry of Welfare—Seiichi Endo
- Ministry of Education—Shigeru Sugiura
- Ministry of Labor—Mayumi Yamamoto
- Ministry of Distribution Surveillance—Eldest Daughter of Cult Leader
- Ministry of Postal Affairs—Tomoko Matsumoto
- Ministry of Vehicles—Shigeto Noda
- Public Affairs Department—Fumihiro Joyu

Profiles of Key Cult Officials

Name	Age	Title	Biographical Sketch
Hisako Ishii	34	Former minister of finance	Native of Yokohama. Graduated from Industrial Efficiency Junior College and employed by the accounting department of the Nissan Marine Fire Insurance Company. Cult member from its founding days whose sister is also a member. Serves as cult cashier.
Fumihiro Joyu	32	Public Affairs Officer	Native of Joto-cho, Fukuoka Prefecture. Graduate of graduate school of Waseda University school of engineering. Resigned from National Space Development Agency of Japan two weeks after being employed. Once served as chief of the Moscow branch of the cult. Handles contacts with mass media.

Name	Age	Title	Biographical Sketch
Tomoko Matsumoto	36	Minister of Postal Affairs	Wife of cult leader Asahara. Born to a family of teachers in Kisarazu-shi, Chiba Prefecture, and is said to have become acquainted with the cult leader during her college prep school days. Mother of two sons and four daughters; third daughter has been designated as future successor to cult leader.
Yoshinobu Aoyama	35	Legal Counselor	Native of Kashiwabara-shi, Osaka-fu. Father was former owner of firm listed on the second section of the Osaka Stock Exchange. Passed bar examination while student at Kyoto University. Arrested in 1990 for violation of the National Land Utilization Planning Law (currently on trial).
Tomomasa Nakagawa	32	Monk Emperor Internal Agency Official	Native of Himeji-shi, Hyogo Prefecture. Graduated from Kyoto Metropolitan Medical University and worked at the gastroenterology clinic of the Osaka Railway Hospital. Serves as consultant to cult-affiliated hospitals and is a key member of the Aum medical team.
Seiichi Endo	34	Minister of Welfare	After completing studies at the veterinarian school of Obihiro Animal Husbandry College, studied at the graduate school of the Kyoto University medical school, and later conducted research in AIDS and cancer at the Kyoto University Virus Research Center. Also, engaged in gene research.
Shigeto Noda	28	Minister of Vehicles	Joined the cult after attending the physics school of the Science Department of Tokyo University and engaged in missionary work overseas. Father also later joined the cult. Participated in the preparation of a cult videotape in which he demonstrated the use of poison gas detectors.
Koichi Ishikawa	26	Monk Emperor's Secretariat Official	De facto chief of Monk Emperor's Secretariat. While a medical student at Tokyo University, he formed the "Tokyo University Students' Club to Research Education." Has been arrested for preparing and using falsified sealed documents.

Name	Age	Title	Biographical Sketch
Shigeru Sugiura	36	Minister of Education	Native of Kyoto. Graduate of literature department of Tohoku University. Older brother of suspect Sugiura; in the general election of 1990, ran as a candidate out of the Second District of Saitama but failed election, along with the younger brother who ran out of the Seventh District of Tokyo.
Hideo Murai	36	Minister of Science and Technology	Native of Kobe-shi. Specialized in studies in space physics in the science research school of the graduate school of Osaka University. He once served as chief of the Shinri Science and Technology Research Center of the cult. One of the original cult members.
Masami Tsuchiya	30	Official of Ministry of Science and Technology	Native of Tokyo. Went from Kashiwa High School to Chikuba University and studied organic physics in the graduate school. In charge of the Aum Chemical Department. Authored commentary on sarin for the cult magazine.
Kiyohide Hayakawa	45	Minister of construction and chief of the General Affairs Department	Native of Osaka. Graduate of agricultural department of Kobe University and horticultural engineering school of the graduate school of Osaka Municipal University. Joined the cult after working for a general contractor. Member of the cult's "Martial Arts Faction." Has been arrested for violation of the National Land Law.
Tetsuya Kibe	39	Minister of defense	Native of Oita Prefecture. Graduated from an art school in Tokyo and worked as a graphic designer. Known as one of the officials of the "behind-the-scenes unit." Has been arrested for trespassing in a building.
Minoru Sugiura	33	Editor in chief	Native of Tokyo-to. Worked for Hitachi after graduating from political-economic school at Waseda University. Once served as tutor for son of Tomoko Kajima. Arrested while in the process of imprisoning a cult member.

Name	Age	Title	Biographical Sketch
Eriko Iida	34	East Cult Member Agency chief	Native of Tokyo. Graduate of Bunka Women's Junior College. Reportedly recruited corporate coworker Hisako Ishii into the Aum cult. Served as official in charge of elections for the Tokyo area during the 1990 general elections.
Mayumi Yamamoto	41	Minister of labor	Native of Tokyo. Frequented the Aum yoga centers while working at a life insurance company after graduating from the Jissen Women's Junior College. After becoming a cult member, served as a missionary at the New York branch.
Kazuko Tozawa	29	West Cult Member Agency chief	Native of Tokyo. Joined the English Speaking Society while a student at Showa Women's Junior College, where she met Joyum, leading to friendship and membership in the cult, following in his footsteps as well as gaining a key role in the cult.
Yoshihiro Inoue	25	Minister of intelligence	Native of Kyoto. Former freelance writer and publisher of some Aum publications. Officer of "Maposha" subsidiary. Has been indicted as a suspect in the kidnapping of an inn operator in Miyazaki Prefecture.
Kiyohide Nakata	47	Official of Ministry of Construction	Native of Nagoya. Former gang leader of the Yamaguchi-gumi organized crime organization. One of the highest-ranking members of the "behind-the-scenes unit" and is considered as holding information critical to solving the case. Has been arrested for making threats and is under investigation.
Tomoaki Niimi	31	Minister of internal affairs	Native of Okazaki-shi, Aichi Prefecture. Graduated from the law school of Aichi Gakuin University and worked for a food manufacturer in the prefecture. Worked as a bodyguard for the cult leader. Has been arrested for illegal imprisonment.

Name	Age	Title	Biographical Sketch
Tsuyoshi Matsumoto	29		Native of Tokyo. Worked for NTT after finishing high school. Once worked as a telegram delivery boy. Has served as chief secretariat of the "Aum" cult and an arrest warrant is outstanding under the suspicion of his having been involved in the kidnapping of Kiyoshi Kariya.
Ikuo Hayashi	48	Minister of medicine	Native of Tokyo. Son of a physician and graduate of the medical school at Keio University. Specializes in cardiovascular surgery and has done research at a U.S. research center. Has been arrested under the suspicion of illegally imprisoning a female cult member.

Six Cult Members Among Police Officer Ranks

Alarming circumstances surround "psychological warfare" aimed at confusing the authorities.

A foremost example is a single-page memo which merely states, "Beware of the NF Hit."

This handwritten memo was found in a vehicle of a cult member by a prefectural police investigator. "N" stands for automated vehicle license number recording machines and "F" stands for Aum cult. And "NF Hit" conveys the message that "a vehicle owned by an Aum cult member was identified by an automated vehicle license number recording machine."

The handwritten memo indicated that confidential internal police information on the fact that 2,000 Aum vehicles were registered on an automated vehicle license number recording system and police internal terminology, had been leaked to Aum sources and investigating officials deplored the leak by saying, "This is unbelievable."

Another example of a related incident:

Immediately following the mandatory investigations of 22 March, suspicious males were loitering around the residences of the Tokyo Metropolitan Police Agency investigative officials, and subsequent investigations revealed that these individuals were tracking the movements of the officials' family members.

We need not mention that alarm and fear were stirred among police circles in such expressions as, "How is it that Aum Shinrikyo members learn of the home addresses of police officers?"

It just could be that the Aum Shinrikyo members possess information on the location of police facilities and organizational data to include the composition of police family members.

It may be a matter of pure suspicion, but the circumstances are such that a seemingly realistic figure is quoted in rumors which say, "There are six Aum cult members in the police ranks."

The question, of course, remains, is this figure of six accounted for through accurate identification on confiscated 8,000 cult member rosters? Or, are they based purely on hearsay?

In any event, as long as attorney and law clerk members of the cult who are empowered to view resident cards and family registers of third parties exist, the view is that it would be very easy for the cult to obtain information on the residences and personal data of those individuals who function in a hostile role against the cult.

Now that the investigative net is steadily closing in on cult leader Asahara, one wonders what his thoughts may be.

One investigative official states, "The key to that answer rests with the movements of (former Minister of Finance) Hisako Ishii, who is closest to the cult leader among all of his confidants." She has been a member of the cult from its founding days and is one of the highest officials of the cult, but rumors circulating because of her complete absence in the open include: "She has been demoted as a result of an internal struggle" and "She is recuperating from a liver ailment." It seems factual that she is ill and during the raid on 14 April, she was

confirmed as being in bed at the general headquarters in Fujimiya-shi, Shizuoka-ken.

Self-Defense Forces Are Standing by on "Alert"

However, this investigative official has his suspicions about her movements, and states, "I think Ishii has consulted with cult leader Asahara and is deliberately avoiding public appearances. She is not only responsible for custodial chores on the 'wealth' accumulated by cult leader Asahara, but, I believe, is also dedicating herself to the task of making preparations to assume responsibilities in connection with the future of the Aum cult as well as the welfare of the cult leader Asahara's family."

Certainly, cult leader Asahara himself could not personally transport several billion yen of personal assets. And, it is a fact that 700 million yen in cash was found in the cult leader's room at Kamikuishiki village during the raid on the facility.

Investigating authorities feel that cult leader Asahara fears more than anything else the revelation of the source of "illegal funds." The reason is that such revelations will serve to disclose all circumstances surrounding the cult.

Public Information Officer Fumihiro Joyu relates that cult leader Asahara has been in considerable ill health in recent days, but on the other hand, "Assistants are taking dictation from him in preparation of a book release." In so saying, he is making himself clear that they are ready to rebut the need for the compulsory investigative action.

Not only the police, but also the Self-Defense Forces, are engaged in intelligence-gathering in anticipation of reactions from cult members or any other contingency. Already, a "Class I Emergency Alert" has been declared and infantry units in the Kanto area and chemical platoons throughout the nation are on standby and monitoring the situation with grave interest.

The question is, how does Asahara's Aum cult plan to execute "Armageddon?" The police authorities visualize the worst case scenario as they push to make a final and major effort at completing its investigative work on the case.

Suspect Matsumoto Absconded in the Noto Region—An Object of a "Major Manhunt in the Hokuriku Region"

Suspect Tsuyoshi Matsumoto for whom a special arrest warrant has been issued in connection with the kidnapping of Kariya, the case which launched the investigation of the Aum cult, escaped from a rented vacation

villa on Noto Peninsula to a hotel in Kanazawa city and from there he suddenly disappeared. Has he escaped from the unprecedented manhunt net laid out for him in the Hokuriku region? Or.....

The Noto region, which was the stage for Seicho Matsumoto's book "Focus Zero" had just begun to evince the smell of spring, when it suddenly became tumultuous based on the discovery of a single fingerprint. Suspect Matsumoto had been hiding out at a rented vacation villa named "Senri Hama So" located about 70 miles north of Kanazawa city in the middle of Noto Peninsula at Negi, Anamizu-cho, Ishikawa-ken.

Investigators raided the villa in the afternoon of 8 April. Seventeen days had passed since the arrest warrant had been issued.

Reportedly the investigators who saw the conditions in the room of the villa unconsciously stiffened their facial expressions. Objects in the room included vinyl sheeting covering the room from several angles as if it were a surgical operating room, a memo reflecting instructions for the performance of facial plastic surgery, surgical scalpels, pain relievers, and a scattering of blood-stained surgical wrappings and absorbent cotton. There even was a fairly long woman's wig and high-heeled shoes.

The evidence left behind clearly indicated suspect Matsumoto's singular determination to escape the investigative arm by undergoing plastic surgery and disguising himself as a woman.

Further, it was apparent that there were others who were assisting him in his attempt at escaping from authorities.

It was on that day that prefectural police stationed at a road block arrested a nurse assigned to an affiliated hospital of the Aum cult and a male cult member as well as the cult's "minister of medicine" and hospital head Ikuo Hayashi for illegal possession of narcotics and hallucinogens. The arrest of these three individuals led to the discovery of the "hideout for Noto."

For investigative authorities, the development was similar to an unanticipated "find of one potato after another" by digging out the root structure, but suspect Matsumoto had already left the rented vacation villa.

He stayed at the Kanazawa New Grand Hotel in Kanazawa city for two nights and checked out on the 10th, after which he dropped completely out of sight.

Investigative authorities learned that he had stayed at the hotel with another male who is thought to be an official of the cult's Martial Arts Faction group, but what surprised the authorities was that they were able to lift a palm print, less his fingerprints, of suspect Matsumoto from Room 620 where they stayed on the sixth floor.

The fact that fingerprints were unavailable at the rented vacation villa could only bring one to the conclusion that they used chemicals to erase them. The view has been intensified that it was suspect Hayashi who had performed the plastic surgery and supplied the chemicals to erase the fingerprints.

Further, other questions remain outstanding.

One point is that when reservations were made for rooms at the hotel on the 8th, the hotel clerk was questioned repeatedly, "Can we use a wheelchair in the hotel?" The Ishikawa prefectural police authorities became stirred by the possibility that the group was accompanied by Asahara, who was suffering from failing health, but subsequent investigations indicate that Asahara is hiding out in Tokyo, thus making such a possibility questionable.

Yoshio Arita, a journalist who has detailed knowledge of incidents concerning the Aum cult, makes the assumption that, "It would be too dangerous for Asahara to travel together with a suspect in the Kariya kidnapping case. Perhaps, the wheelchair was intended for moving Kariya around. It would not be strange that he has been physically abused to the point where he needs to be moved about in a wheelchair."

In any event, the question arises, why did they select the Noto region as an area for hiding out?

Basically, the strongest reason was probably associated with their "familiarity with the region."

There was a company called "Okamura Steel Fabrication Company" at Terai-cho in the prefecture which had been closed two years ago. In the fall of 1992, the president of the firm who was an Aum cult member faced financial difficulties and appointed Asahara as the president, making the firm a subsidiary of the Aum cult. Most of the 100 employees resigned in protest to the move and about 80 cult members were hired as employees, with suspect Matsumoto being one of them.

On the other hand, there is a source which makes the statement that, "A rumor has been floated that there is an individual who lives in the prefecture who was a cult members' representative at the time of the founding of the cult and that he is assigned to the Ministry of Internal Affairs operating the execution unit for kidnappings and imprisonment. If this is factual, the individual could easily provide a hideout."

However, sources indicate that the investigative authorities are most concerned about the theory covering an "overseas escape route."

The destination visualized for such an escape, of course, is Russia. The close ties between the Aum Shinrikyo

and Russia have been mentioned previously, and many Russian ships make stops at ports in the Hokuriku region. Last year, 98 Russian ships visited Nanao port not too far from Anamizu-cho. Also in the last year, Kanazawa port was visited by 40 Russian ships, while neighboring Fukui and Tsuruga ports were visited by 120 Russian ships. Figures for the year before last for Toyama and Fushiki-Toyama ports indicate visits by 562 Russian ships.

Nanao Maritime Safety Division Deputy Chief Sadao Nakamura makes no secret of his cautious attitude by saying, "We are coordinating with the police in an effort to uncover suspect ships and are asking ship owners to exercise care when they offer ship transportation."

On the other hand, there are those who dispute such a theory. Supervisor Hisayoshi Tendo of Nanao Marine Transportation states, "Russian ships are all engaged in the movement of lumber. The ships are always empty on their return trips and the presence of any suspicious individuals would be quickly uncovered. Based on my experience, I would say that the Russian crews would not be amenable to taking on stowaways."

In any event, despite intense efforts on the part of the Ishikawa prefectural police, subsequent whereabouts of suspect Matsumoto have not been traced.

"Considering that his fingerprints have been discovered and an organizational effort has been made to conceal him even to the extent of performing plastic surgery, that may be an indication that he has been killed."

While such comments are heard on the one hand, information has been furnished that after checking out of the hotel, he took a taxi cab to a movie theater located in front of the Kanazawa rail station together with the male companion.

One wonders if this is a case where suspect Matsumoto "absconded" just before an attempt was to be made for his arrest.

Having been involved in an incident that instigated an overall investigation of the Aum cult, it would not be strange for the cult to make an all-out effort to avoid the arrest of suspect Matsumoto. The "tenacity" of both the police and the Aum cult is being focused on their divergent objectives concerning the whereabouts of suspect Matsumoto who disappeared in the Noto region.

North Korea

Paper: U.S. 'Wholly Responsible' for Reactors

SK0806045795 *Pyongyang KCNA in English*
0447 GMT 8 Jun 95

["NODONG SINMUN on DPRK's Position Over LWRs Provision" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 8 (KCNA) — The Democratic People's Republic of Korea at negotiations with the United States now underway in the capital of Malaysia demands that the U.S. be wholly responsible for the provision of a complete set of light-water reactor power plants, the adjustment of construction sites and the building of infrastructure and all other matters as regards the range of the project.

NODONG SINMUN in a signed commentary titled "DPRK's Demand Stands to Reason" describes this demand as entirely justifiable.

The analyst says:

Under the DPRK-U.S. framework agreement, the United States is committed to providing a complete set of light-water reactors to the DPRK in exchange for the freeze of its graphite-moderated reactors. It is self-evident, therefore, that the United States should assume the responsibility for the solution of everything needed for it.

We do not feel the need to invest in what the U.S. should do.

The provision of LWRs is a product of the special political compromise between the DPRK and the U.S. It is an issue showing a political willingness as regards whether to seek a fundamental solution to the nuclear issue on the Korean peninsula or not. If general norms and usage of commercial contacts are applied in dealing with the issue of political nature, it cannot be resolved any time.

The DPRK and the U.S. are on hostile terms. Therefore, the framework agreement between the two countries presupposes its implementation should be based on verification, not on trust. Judging from the attitude and stand taken by the United States at present, nobody knows whether the issue of supplying LWRs will be settled and, if settled, when it will be done.

It is clear to anyone that the DPRK cannot first invest in this kind of project, risking damage.

If the U.S. side is trying to oblige the DPRK to make initial investment as the buyer as in normal business transaction in relation to the range of the provision of light-water reactors, it will only complicate the solution of matters.

As we have already declared, we will invest no penny until the building of light-water reactors is completed through the initial stage including the adjustment of the construction sites and all the conditions necessary for their operation provided. This belongs to the legitimate right of the DPRK.

The United States side as a signatory to the framework agreement between the DPRK and the U.S. should assume the responsibility for the provision of a complete set of light water reactors and all other things necessary for their operation.

Foreign Media Deny ROK-Style Reactors Exist

SK0806081095 *Pyongyang Korean Central Broadcasting Network in Korean* 2100 GMT 6 Jun 95

[FBIS Translated Text] The newspapers and broadcasts of various countries have carried articles exposing the non-existent South Korean-style light-water reactors.

The 3 June edition of the MUSLIM of Pakistan carried an article entitled "There Are No South Korean-Style Atomic Reactors," pointing out: The South Korean authorities are trying to take advantage of the question of light-water reactors for political purposes. Pyongyang has the right as to which country's light-water reactors Pyongyang will import. From the very beginning, such light-water reactors as South Korean-style light-water reactors did not exist. If there were such reactors, such reactors would be the ones assembled from U.S.-made components.

The NATION of Pakistan also carried a similar report on that day.

Carrying an article under the title "Pyongyang Is Displaying Its Firm Stance," the 3 June edition of the KRASNAYA ZVEZDA of Russia quoted the Korean Central News Agency [KCNA] as disclosing: The South Korean-style light-water reactors do not exist in the world. If there were such reactors, such reactors would be U.S.-made reactors with South Korean labels.

The newspaper pointed out that KCNA stressed: If the United States is to implement the DPRK-U.S. framework agreement, the United States should not stick to its unjust demand.

The 25 May issue of the VANGUARD of Nigeria said: While demanding that the DPRK accept the non-existent South Korean-style light-water reactors, the United States is laying an obstacle to the solution of the nuclear issue on the Korean peninsula.

In the meanwhile, while carrying an article entitled "North Korea Has Exposed the Truth of the South Korean-Style Light-water Reactors Which the United

States Is Insisting Upon," the 1 June issue of the NEPAL NEWS of Nepal quoted a commentary in the 28 May issue of our country's NODONG SINMUN as exposing that the South Korean-made light-water reactors are ghost reactors, even whose conception does not exist.

The 31 May issue of the JORNAL DE ANGOLA of Angola and a 27 May broadcast of a German television station also reported that South Korean-style light-water reactors do not exist.

U.S.-ROK 4-6 Jun Military Exercises Blasted

*SK0806051895 Pyongyang KCNA in English
0439 GMT 8 Jun 95*

[*"Anti-North War Moves Continue"* — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 8 (KCNA) — The U.S. imperialist warmaniacs, on June 5 and 6, brought scores of overseas-based naval aircraft into the air above Asan Bay, South Korea, and staged an exercise of making long-distance flights and striking strategic targets in the northern half of Korea under the support of an air tanker, according to military sources.

Meanwhile, the South Korean puppets deployed a 90 mm recoilless gun and a 12.7 mm machine gun at an MP post in the Demilitarized Zone (DMZ) of the central sector of the front on June 6 and gravely threatened the safety of the North side's civil policemen, taking a firing posture for hours.

Earlier, on the 4th, a group of heavy tanks belonging to the puppet army fired more than 60 shells, rapidly moving toward the DMZ from an attack position in the western sector of the front. And groups of large-calibre guns and armed bandits of an infantry unit of the puppet army whipped up a war fever in the frontline area, firing more than 3,100 bullets and shells toward areas adjacent to the DMZ.

If the U.S. imperialist warmaniacs and the Kim Yong-sam fascist clique persistently resort to war moves, going against the trend of the time, they cannot go unpunished.

Group Demands Repatriation of Old Prisoners

*SK0706213495 Pyongyang KCNA in English
1504 GMT 7 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 7 (KCNA) — Sok Myong-son, chairman of the Uzbek Korean Association (Unity), published a statement on May 24 to demand the repatriation of old Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners in South Korea, to the North, according to a report.

The statement said:

The South Korean authorities do not send the long-term prisoners back to the North where their families and relatives live. It is an unpardonable inhuman act in view of humanitarianism and in view of national duty.

The South Korean authorities must act with discretion. We will continuously wage the movement for their safe repatriation to their native places.

Korean residents in Uzbekistan sent letters to the Korean committee for saving unconverted long-term prisoners of South Korea saying that the South Korean authorities must send them back without delay to the North where their families and relatives live as they intend and the world people justly demand.

Realization of Reunification Festival Urged

*SK0706214095 Pyongyang KCNA in English
1513 GMT 7 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 7 (KCNA) — Chu Yong-il, vice-chairman of the International Korean Association (Unity), published a statement recently, urging the realization of August 15 grand national reunification festival.

The International Korean Association (Unity) formed a preparatory committee of the International Korean Association (Unity) for the grand festival of national reunification and is now pushing on with the festival preparations on the occasion of the 50th anniversary of Korean liberation, he said.

He charged that the Kim Yong-sam's regime does not want the grand national reunification festival. He demanded the "National Security Law", a fascist evil law blocking national reunification, be abolished.

He vowed that he will make all efforts to successfully realize the historical August 15 grand national reunification festival.

Overseas compatriots in Tashkent and Kazakhstan stressed in the letters sent to the preparatory committee that the Democratic Confederal Republic of Koryo must be founded at an early date on the basis of the 10-point programme of the great unity of the whole nation. To this end Koreans in the North, South and overseas must sit together and celebrate the August 15 grand national reunification festival as a great event.

More University Students Send Letters to South

SK0806053295 *Pyongyang KCNA in English*
0433 GMT 8 Jun 95

["Letters to South Korean Student Organisations" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 8 (KCNA) — Many university student committees under the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) continue sending letters to general student councils of universities and colleges under the South side headquarters of Pomchonghangnyon calling upon them to actively turn out in a struggle for a successful holding of a grand national reunification festival which is scheduled to be held in commemoration of the 50th anniversary of Korea's liberation from Japanese imperialist colonial rule.

The letters were sent from the student committee of Kim Chong-suk University of education to the general student councils of Kongju National Teachers' College of South Korea and Seoul Women's University, from the student committee of Kim Chol-chu University of education to the general student councils of Seoul National Teachers University and Sukmyong Women's University, from the student committee of the University of Science to the general student councils of Sunchon National University and the University of Aviation, from the student committee of Cha Kwang-su University to the general student councils of Chungbuk National University and Wongwang University, from the student committee of O Chung-hup University to the general student council of Kunsan University, from the student committee of Choe Hui-suk University to the general student council of Toksong Women's University, from the student committee of the University of Chemical Industry to the general student council of Kyong Song University, from the student committee of Pochonbo University of Technology to the general student council of Inha University, from the student committee of Koryo Songgyungwan University to the general student councils of Tong-A University, from the student committee of Koryo University of Pharmacy to the general student council of Korea Theological Seminary, from the student committee of Chang Su-san University to the general student councils of Chonan College of Industry and Jesus Christ Nurse College, from the student committee of Pyongyang University of Art to the general student council of Tong U College, and from the student committee of Wonsan University of Agriculture to the student council of the College of Agro-Science of Sunchon National University.

The letters say that a proposal to the effect that the Koreans in the North, the South, and overseas should jointly celebrate the 50th anniversary of national liberation, which was adopted at a joint meeting of political parties and organisations in the northern half of Korea in January last, is a just step and that all the youth and students in the northern half of Korea are stepping up preparations for a successful holding of the August 15 grand national reunification festival.

No force on earth can block the ardent desire of the fellow countrymen for a grand national reunification festival to be held in August, the letters say, adding that the youth and students, vanguard of a patriotic struggle for reunification, should dedicate their hot-blooded youth to a fruitful struggle of this year to usher in an early morning of national reunification at an early date.

PRC Party, Government Delegations Arrive

SK0706152295 *Pyongyang KCNA in English*
1515 GMT 7 Jun 95

[FBIS Transcribed Text] Pyongyang, June 7 (KCNA) — A delegation of officials of the Communist Party of China led by Xu Qing, deputy secretary of the Central Commission for Discipline Inspection of the party, and a friendship delegation of the Foreign Ministry of China headed by Vice-Minister Tang Jiaxuan arrived here today.

Arriving here on Tuesday were a home-visiting group of young businessmen of the General Association of Korean Residents in Japan led by Son Chin-su, section chief of the Federation of Korean Traders and Industrialists in Japan, and Chairman of the Society of Korean Christian Scholars in North America Pak Han-sik.

PRC, Other Groups Visit Kim Il-song Statue

SK0806053995 *Pyongyang KCNA in English*
0424 GMT 8 Jun 95

[FBIS Transcribed Text] Pyongyang, June 8 (KCNA) — A delegation of officials of the Communist Party of China, a friendship delegation of the Foreign Ministry of China, a visiting group of Chinese officials for extramural education of youth and children, a delegation of the All-Japan Harbour [spelling as received] Workers' Union, a delegation of the U.S. Understand-Korea Movement, a friendship delegation from Australia, and a home-visiting group of young businessmen of the General Association of Korean Residents in Japan (Chongnyon) laid bouquets before the statue of the great leader President Kim Il-song on Mansu Hill before making a bow.

Akinobu Ito, head of the delegation of the All-Japan Harbour Workers' Union, said the first anniversary of the death of the great President Kim Il-song is drawing near, adding that he was remembering the president with regret.

Han Kwang-hui, a member of the home-visiting group of young businessmen of Chongnyon, said the great leader Generalissimo Kim Il-song was a benefactor, who made the exploited and maltreated Koreans in Japan feel proud of being members of a dignified nation and find themselves lead a worthwhile life.

He vowed to devote his all to the patriotic work of Chongnyon, always believing in General Kim Chong-il alone and upholding his lofty intention.

Foreign Media Cited on 'Comfort Women' Issue

*SK0706213695 Pyongyang KCNA in English
1509 GMT 7 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 7 (KCNA) — A Nepalese paper and Linda Chavez, special reporter of the U.N. sub-commission on prevention of discrimination and protection of minorities who investigated the issue of "comfort women for the Army" and forcible drafting, recently laid bare the crimes committed by old Japan against "comfort women for the Army" and urged Japan to make apology and compensation for it.

Linda Chavez in an interview with CHOSON SINBO during her visit to Japan said that she met some 50 sufferers.

Most of them are still in a miserable condition because they were forced to render sexual "services" as "comfort women for the Army" during the Second World War, the reporter added.

She further said:

When they were taken to "comfort houses for the Army", the sufferers were aged 13 or 14 on an average.

This was a very serious matter and the most inhuman act.

The Nepalese paper JANA ASTA serialized a photo-accompanied article laying bare the crimes committed by the Japanese imperialists against "comfort women for the Army".

In an article titled "Give Our Youth Back to Us", the May 3 issue of the paper deals in detail with a story about old woman Yi Kyong-saeng whom Japs forced to serve as a disgraceful "comfort woman for the Army" when she was 12 years old.

In another article titled "When Youth is Violated", the May 10 issue of the paper introduces the miserable

life of Pak Ok-sil in South Korea who was drafted as "comfort woman for the Army" in 1938.

Referring to the testimonies of "comfort women for the Army", the May 17 issue of the paper said in an article headlined "Women Treated Like Beasts," the youth of "comfort women" was ruthlessly violated by the Japanese Army. In addition, the Japanese imperialists murdered as many as one million Koreans during their occupation of Korea.

This year marks the 50th anniversary of the liberation of Korea.

With this as an occasion, the Japanese Government must make apology and compensation to North Korea.

Kim Chong-il Sends Toys to Japanese Students

*SK0806054295 Pyongyang KCNA in English
0421 GMT 8 Jun 95*

[FBIS Transcribed Text] Tokyo, June 6 (KNS-KCNA) [dateline as received] — A meeting was held at the Korean high school in Kobe on June 3 to convey stuffed animals the great leader Marshal Kim Chong-il sent to Korean schools in Hyogo area, Japan, as gifts.

Kim Su-chin, director of the Education Department of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), addressed the meeting.

Noting that respected Marshal Kim Chong-il sent stuffed animals to Korean schools in Japan after sending a message of sympathy and relief funds to Koreans who suffered heavy damages from the great Hanshin-Awaji earthquake, he said such warm love is as valuable as life-giving water and vigor for the Koreans in Hyogo.

He called on the Chongnyon officials and compatriots in Hyogo prefecture to heal the quake damages as soon as possible and invigorate national education and all other patriotic activities in hearty response to the letter sent by Marshal Kim Chong-il on the occasion of the 40th anniversary of Chongnyon.

The gifts were conveyed at the meeting before speeches were made.

Foreign Firms Laud Rajin-Sonbong Economic Zone

*SK0806102895 Pyongyang KCNA in English
1012 GMT 8 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 8 (KCNA) — The establishment of a new economic zone in a triangle of the River Tumen in Northeast Asia stirs up deep interests of different countries.

The Swedish paper ELE May 31 quoted Arne Larsson, manager of the Arne Larsson and Partnership Corporation of Sweden which produces and processes wood for building and furniture, as saying the Najin-Sonbong area of the Democratic People's Republic of Korea draws interests of companies of different countries because it is situated in a very favorable point of strategic importance as a free economic and trade zone.

He also said the water of the ports is never frozen and railways of Russia extend to the ports and trains can go to the northern areas of China without changing wheels.

An astonishing production growth is expected there so that we must make investment in the area, he stressed.

The Bulgarian paper DUMA May 31 said a new economic zone has been established in a triangle of the River Tumen in Northeast Asia.

It further said:

According to the program, it is envisaged that about 30 billion dollars will be invested in this area in 20 years to come to build an international airport and establish a free economic and trade zone.

The DPRK, China and Russia have already launched the construction of roads, railways and communication networks by fibre-optical cables in this area.

The Yemeni paper AL-THAWRAH May 30 carried news that the DPRK, China, Russia, Mongolia and South Korea signed documents concerning the Tumen River area development program at a meeting held in Beijing on May 29 under the sponsorship of the United Nations Development Program.

The May 31 edition of EL MUNDO EN SINTESIS, the bulletin published by the PRENSA LATINA News Agency of Cuba, said the DPRK, China and Russia agreed to establish the Tumen River area economic development coordination committee, which will promote their economic transactions and, at the same time, foster the investment in this area by Western businessmen.

Malaysian Youth Group Visits, Meets Leaders

Meets LSWY Officials, Party Leader

SK0806052595 *Pyongyang KCNA in English*
0436 GMT 8 Jun 95

[FBIS Transcribed Text] Pyongyang, June 8 (KCNA) — A friendly gathering between officials of the League of Socialist Working Youth [LSWY] of Korea and the visiting delegation of the Youth Organisation of the Malaysian People's Movement took place here on June 7.

Present on the occasion were Choe Hyon-tok, vice-chairman of the Central Committee, and other officials, of LSWY.

The Malaysian delegation led by Yim Pu-chang, chairman of the Central Committee of the Youth Organisation of the Malaysian People's Movement, was on hand.

The participants in the gathering deepened the feelings of friendship, conversing with each other and singing songs.

Meets Yi Chong-ok

SK0806103295 *Pyongyang KCNA in English*
1020 GMT 8 Jun 95

[FBIS Transcribed Text] Pyongyang, June 8 (KCNA) — Vice-President Yi Chong-ok met and had a friendly conversation with the visiting delegation of the Youth Organization of Malaysian People's Movement led by Chairman of the Central Committee of the Youth Organisation Yim Pu-chang at the Mansudae Assembly Hall on June 8.

The head of the delegation expressed his deep regret at the death of the great leader President Kim Il-song and said that he was greatly impressed by the Korean people who have turned the sorrow into courage and strength and are vigorously striving to exalt the exploits of the great leader down through generations.

He sincerely wished his excellency the dear leader Kim Chong-il good health and a long life.

Peru Farm Group Hangs Kim Il-song Picture

SK0806043295 *Pyongyang KCNA in English*
0417 GMT 8 Jun 95

[FBIS Transcribed Text] Pyongyang, June 8 (KCNA) — A ceremony of hanging a portrait of the great leader President Kim Il-song was held at the building of the Peruvian National Agricultural Youth Association on May 30.

The portrait was hung on the facade of the building of the association amid the participants' enthusiastic applause.

The chairman of the association said: "With a portrait of his excellency the great leader President Kim Il-song, who devoted his whole life to the happiness of humankind and the world peace, we have been able to advance along the road of independence indicated by him without vacillation, always keeping him in our memory."

Kim Chong-il's Health, Position Viewed

BR0806084395 Rotterdam NRC HANDELSBLAD
in Dutch 2 Jun 95 pp 1, 4

[Report by Lolke van der Heide: "There Is Something Wrong With Kim Chong-il"]

[FBIS Translated Text] Pyongyang/Seoul, 2 Jun — Where is the North Korean "Beloved Leader" Kim Chong-il and what is his status? He hardly shows himself in public and formally has not yet been appointed the successor to his father, who died last year.

"Kim Chong-il has iron courage. He will not yield an inch, even when an awe-inspiring enemy besieges him. His skill in leadership is great; with it he gives a thousand-fold impetus to all soldiers," writes the North Korean daily NODONG SINMUN. Although portraits of the old Kim continue to dominate North Korea's street picture, the promotion of Kim Chong-il is being gradually increased: There are more references and photographs, more books about the "heroic life" of the "Beloved Leader."

All the attention gives the distinct impression that Kim Chong-il (aged 53) has taken over the helm from his father in the Democratic People's Republic of Korea. The "Great Leader" Kim Il-song died on 8 July 1994. But the propaganda in Pyongyang cannot hide the fact that there is something fundamentally wrong with the hereditary succession, which Kim Il-song had worked on since the start of the 1970's. There is no conceivable formal reason whatsoever for waiting any longer before appointing Kim Chong-il president and party leader. Various non-North Korean sources report that Kim Chong-il is suffering from a number of illnesses and presumably cannot function independently.

North Korean Government functionaries react with great irritation to questions about Kim Chong-il. Where is he, how are things with his health, is he married, does he have children: They say agitatedly that they do not know and that is presumably the truth. Apart from a very select company at the summit of the North Korean hierarchy, no one receives any information about Kim.

In North Korea a stubborn rumor is circulating among diplomats that Kim Chong-il recently underwent a brain operation and is seriously ill. A team of U.S. neurologists is reported to have visited Pyongyang in the greatest secrecy last month, the South Korean press agency YONHAP reports, referring to South Korean Government sources.

Kang Myong-to, son in law of the North Korean Prime Minister Kang Song-san and an emigrant to Seoul, revealed earlier this year that Kim Chong-il has suffered for years from weak nerves and a pancreas complaint

(the latter could indicate diabetes). "In September 1993 Kim Chong-il fell from a horse, after he had mounted a new mare which had not been broken in, despite warnings. He suffered a brain injury and broken bones," Kang said.

"Patriots, a New Star Is Born"

Kim Chong-il was put forward in 1973 by Kim Il-song as his potential successor, but he never emerged from his father's shadow. As far as is known he has never made a speech in public. On the basis of analysis of the rare noiseless video tapes of Kim Chong-il talking with his father, the South Korean secret service came to the conclusion that he suffers from a speech defect.

The present Cambodian King, Norodom Sihanouk, was the greatest personal friend of Kim Il-song. During his long period of exile (1979-1991), Sihanouk spent much time in Pyongyang and has revealed that he did not meet Kim Chong-il once.

The former North Korean diplomat Yong Whan-koh, who has also fled to South Korea, has described Kim Chong-il as "eccentric and impulsive." Kim Chong-il is said to have virtually no interest in foreign matters and to operate with far less thought than his father. He is said to have frustrated Kim Il-song a number of times with his own decisions. According to Western intelligence services, Kim Chong-il was the brain behind the attack on the South Korean cabinet in Burma in 1978 where four ministers and 13 other South Koreans died. Kim Chong-il is also said to have had a hand in the destruction of a South Korean passenger aircraft in 1987, which cost the lives of all 115 people on board.

What is Kim Chong-il's position now that his father is no longer there? It is most probable that Kim is the most powerful man of the moment, but that his ailments are preventing him from being proclaimed president and party leader. At present there is nothing to point to possible competition to Kim, let alone a power struggle. Assuming that Kim Chong-il really is the present leader, who is number two in the hierarchy? There is no one who knows the answer. The Kim regime is still firmly in position, according to Yong Whan-koh, and only food shortages or other economic problems could lead to unrest in the short term. "In that case it is probable that Kim would prefer a desperate war for reunification (with South Korea), rather than tolerate a revolt against his own power."

In the PYONGYANG TIMES, the official daily, there was a striking photo of Kim two weeks ago. He is receiving a bouquet of flowers from a female soldier on the occasion of the celebration of the 63d anniversary of the KPA (Korean People's Army). A close examination

of the photo shows that it has been touched up: Kim is posing in a studio and a photo of a few top officers is serving as a background. The trees have no leaves, while at the time when the photo is said to have been taken it was the middle of spring in Pyongyang. It is also striking that Kim has no hair on the side of his head, and possibly is wearing a wig, which could explain the rumor about a brain operation.

South Korean Government functionaries react furtively to questions about Kim Chong-il. They say they are still waiting for an invitation to a summit meeting, as the follow-up to the plan for an Inter-Korean summit launched by Kim Il-song in June 1994, until death took him away. Seoul wants North Korea to clear up what is happening about the leadership before there can be talk of a meeting. "We have no idea whom we should turn toward in Pyongyang," a civil servant at the Foreign Ministry said.

In turn North Korea says that it wants nothing to do with the South Korean President Kim Yong-sam. Pyongyang is still very upset about the fact that the South Korean leader did not offer his condolences last year to North Korea for Kim Il-song's death. "The south (small s — NRC HANDELSBLAD editor's note) Korean people calls its President Kim Yong-sam illiterate, an idiot, a swindler, and a man full of ambition. They regard him as worth less than even a dog... If a war breaks out, the south Korean soldiers will turn their weapons on the U.S. imperialist aggressors and the Kim Yong-sam clique, and not on their brothers in the north," wrote the PYONGYANG TIMES.

Pyong Yun-ahn, a politics professor at Yonsei University in Seoul, sees the northern tirades as empty farewell volleys from a regime which will not be granted much more life. "North Korean isolation and impoverishment make political and economic reform urgently necessary. But the power rests exclusively on extreme nationalism, which makes reforms impossible," he said. It is impossible for the regime not to succumb to this dilemma, Pyong thinks. He sees two possible scenarios: A sudden violent fall of the dictatorship, comparable with Romania in 1989, or the rise of a military-bureaucratic government which is prepared to carry out reforms. "What is certain is that the hegemony of the Kim family will quickly be finished," he said.

For the time being there is no end to the expressions of praise of Kim Chong-il in North Korea. Although the country is officially atheistic, the story of Kim's birth, which appeared in the recently published hagiography called "Individual, Thoughts, and Leadership," has a clear theocratic setting borrowed from the Bible. "In those days a small unit of revolutionaries passed through

a thick forest of pine trees on Paektu, the holy mountain. They read a slogan on one of the trees: Patriots, a new star has appeared. Glory be to you who shall see the new born star, it is a sign of great happiness for Korea. When they went further, they heard of the birth of Kim Chong-il, the son of the heaven-sent Kim Il-song, the Sun of the Nation. And they went forth and spread the message among the entire people."

Kim Chong-il's Policies Help Students

SK0706111695 *Pyongyang KCNA in English*
1023 GMT 7 Jun 95

[FBIS Transcribed Text] Pyongyang, June 7 (KCNA) — [Words indistinct] Generalissimo Kim Il-song and the great leader General Kim Chong-il to provide them with good study conditions.

Among the stories about such loving care are those about commuter trains, buses, boats and cars.

In 1969 President Kim Il-song, told that 19 students of the Yonha Senior Middle School, Kim Hyong-chik County, Yanggang Province, attended the school, making a detour, saw to it that a commuter train was built and sent to them so that they could study, enjoying all conveniences.

Ten years later, Comrade Kim Chong-il who is carrying forward the cause of President Kim Il-song, got an understanding of the increased number of the commuters there and sent two locomotives and passenger cars to them. They have boarded a total of 30,000 students up to now.

Such commuter trains for pupils are seen in other places.

President Kim Il-song, who acquainted himself with the school attendance of some 30 pupils in Sipni-tong, Manpo city, Chagang Province, in September 1974, sent them a "saeppol" locomotive and a 42-seat passenger car of a new shape. In May 1982, Comrade Kim Chong-il sent two locomotives and passenger cars to the school to serve the increasing number of commuters and made sure that a new railway station was built for only two pupils and four engineers and assistant engineers and two guards were assigned to them.

Commuter buses are also available.

The Chejak Senior Middle School, Ongjin County, South Hwanghae Province, has a commuter bus for several pupils. Comrade Kim Chong-il sent the bus to them and had a dormitory built for them. He also took a measure to grant a scholarship to them like university students.

School buses are also seen in Sinsa-tong and Singaechok, Taehongdan County, Yanggang Province,

Kumdang-ri, Onchon County, South Pyongan Province, at the foot of Mt. Paektu, Insan County, North Hwanghae Province, in Yongwon County, South Pyongan Province, and other places.

There are school boats in Yontan County, North Hwanghae Province, and other areas with rivers and lakes and a commuter car in Kuryong village, Yongnim County, Chagang Province.

Kim Chong-il Thanks Provincial Functionaries

952C0119A *Pyongyang NODONG SINMUN*
in Korean 8 Feb 95 p 2

[By unnamed NODONG SINMUN reporter: "KPA Commander-in-Chief Kim Chong-il Conveys His Gratitude to Party Functionaries in S. Hwanghae Province for Setting an Example in Support-KPA Campaign"]

[FBIS Translated Text] Comrade Kim Chong-il, commander-in-chief of the Korean People's Army [KPA], who is the great leader of our party and our people, has conveyed his gratitude to party functionaries in South Hwanghae Province for the example they set in the support-the-KPA campaign.

Upholding the intent of the party in attaching importance to military affairs, functionaries of the party committee of South Hwanghae Province, and party functionaries of cities, counties, agencies, enterprises, and cooperative farms in the province, visited KPA personnel making innovative achievements daily on the construction sites of Chongnyu Bridge (2d phase) and Kumnung No. 2 Tunnel. They brought them a lot of gifts they had prepared, greatly encouraging them.

To bring the traditional fine customs of unity between the military and the people into full bloom among party members and the working people, responsible functionaries of the provincial, city, and county party committees vigorously conducted organizational political work, using various forms and methods. At the same time, they voluntarily took the lead in this campaign.

Functionaries of the Haeju City party committee, and those of the county party committees of Paechon, Ongjin, Yonan, Kangnyong, Sinchon, Chaeryong, Anak, Taetan, Pyoksong, Chongdan, and Pongchon, worked to get the fine customs of loving KPA personnel as kith and kin to permeate their counties. They led not only their families but also all working people in the counties to voluntarily involve themselves vigorously in the support-the-KPA campaign. Thus, they became a model in leading by personal example.

Functionaries of the primary-level party committees at the Haeju Smelting Works, Kim Chong-tae University, and the Sinpyong branch of the Kwail County

General Fruit Farm, and those of the party committees of Unsan-ri, Taetan County; Changnyon-ri, Ullyul County; Unyang-ri, Sinwon County; Tokchon-ri, Samchon County, and of Kwanyang-ri, Songhwa County, sent KPA units many gifts they prepared on many earlier occasions. This time again, they have actively participated in the campaign.

Party functionaries who visited KPA personnel on the construction sites of Chongnyu Bridge (2d phase) and Kumnung No. 2 Tunnel, bringing them gifts they had prepared with their best wishes for them, had cordial conversations with, and helped the work of, those personnel who, upholding the leadership of the great Commander in Chief Kim Chong-il with loyalty, took upon themselves the tasks of national defense and socialist construction. Thus, they encouraged them deeply.

The word of gratitude from the KPA Commander in Chief Comrade Kim Chong-il was delivered at gatherings held in the offices of the city and county party committees in the province.

Present were responsible provincial, city, and county party functionaries, as well as functionaries of the party units involved.

At each gathering, the word of gratitude from the KPA Commander in Chief Comrade Kim Chong-il was delivered amid a thunderous applause.

In a discussions session that followed, participants spoke of their resolve.

Deeply moved, they said: It is a basic obligation for functionaries of the Workers Party of Korea led by the great leader Comrade Kim Chong-il to support the KPA, the revolutionary armed might; nonetheless, the respected and beloved commander in chief expressed his gratitude for it.

The word of gratitude from our Commander in Chief Comrade Kim Chong-il, they said, reflects his confidence in them that they will always take the lead in the fulfillment of the revolutionary cause of *chuche* charted on Mt. Paektu, as well as his ardent love for party functionaries.

They expressed their resolve that they will, in accordance with the teachings left by the respected and beloved leader, always highly uphold the great leader Comrade Kim Chong-il at the head of the revolution, and that they will be loyal to his leadership infinitely and play the vanguard role in defending and preserving the leadership achievements of the party and the leader and adding luster to them.

Holding aloft the party ideology of the military-people unity, they will continue in the future to propel the support- the-KPA campaign and the movement to win the Military-People Unity Model County title vigorously and, at the same time, take the lead in the implementation of the revolutionary economic strategies of the party. By doing so, they will positively contribute to making our country, our fatherland, richer and stronger, they emphasized.

Resolutions were adopted at the gatherings.

Nationwide Rice Transplanting Reported

SK0806090895 *Pyongyang Korean Central Broadcasting Network in Korean* 1200 GMT 8 Jun 95

[FBIS Translated Text] Farms across the country are vigorously accelerating rice transplanting for bumper crops at the final stage. According to compiled data, as of 5 June, 50 cities and counties, and more than 1,000 cooperative farms throughout the country, completed rice transplanting. Rice transplanting is being accelerated at the final stage in major plains, including Yonbaek Plain, Yoltusamcholli Plain, Onchon Plain, and Hamhung Plain, and in all rural areas. The nationwide rice transplanting record is 88 percent, and the record of South Hamgyong Province, Pyongyang, Nampo, and Kaesong is as high as 95 percent.

Cities and counties that have already completed rice transplanting, including the state-run farm in the Mangyongdae District; Sadong District in Pyongyang; Kaechon and Pyongsong in South Pyongan Province; and Hongun County and Sinhung County in South Hamgyong Province are accelerating preliminary weeding of paddies and fields, not letting loose of their heightened spirit. Yongchon in Hwangju County, Okto in Yonggang County, Migok in Sariwon, Unha Cooperative Farm in Unjon County, and many other farms already finished preliminary weeding of paddies and fields. They are achieving innovative results in the secondary weeding day after day.

The Palchon Cooperative Farm in Taedong County, which completed rice transplanting a week earlier than last year, and many other farms have well organized battle organization and command and focused all the forces on rice transplanting. These farms are doing preliminary weeding of paddies and fields 1.4 times more than the plan every day.

Agricultural workers across the country are further accelerating their work with revolutionary enthusiasm to finish the remaining rice transplanting and properly weed the land to glorify the significant 1995 of the 50th anniversary of the party founding with bumper crops.

Farmers Vow Good Harvest To Honor Kim Il-song

SK0806102795 *Pyongyang KCNA in English*
1006 GMT 8 Jun 95

[FBIS Transcribed Text] Pyongyang, June 8 (KCNA) — The Korean peasants are going ahead with rice transplanting at the final stage.

While doing the first year's farming after the sudden death of the great leader President Kim Il-song, they are now eagerly longing for him.

They have called at his statues and historical sites, sorely missing him, who had guided farming on fields every year.

They have paid homage to the founder of socialist Korea, recollecting with deep emotion the brilliant life of the president, who devoted his all to the liberation and prosperity of the country, to the freedom and happiness of the people.

They have also made a firm pledge to unite closely with each other in one mind and work hard to make socialist Korea more prosperous as his revolutionary soldiers and disciples.

All the peasants of the Kumdang cooperative farm, Onchon County, and the Taesong District cooperative farm which the fatherly leader President Kim Il-song visited in June last year have vowed to reap a bumper harvest this year to fulfill his behests without fail, saying they never forget his promise to call at the farms again.

Yim Chang-tok, director of the agricultural production department of the State Agricultural Commission, said the most important front in the execution of the revolutionary economic strategy shaped by the Workers' Party of Korea is agriculture. He resolved to become a revolutionary like Kim Chaek whom the fatherly leader had missed so much and make every effort for the implementation of the agriculture-first policy so as to greet the 50th anniversary of the Workers' Party of Korea with a rich harvest.

Kim Myong-yon who became a labor heroine and chairwoman of the management board of the Changchon cooperative farm, Sadong District, Pyongyang Municipality, under the loving care of the fatherly leader, said she cannot take a even moment's break when she thinks of the president, who taught her how to farm in the fields. She made a vow to increase the grain output by thoroughly applying the chuche method of farming, thus fully discharging her responsibility for agricultural production.

Officials, Soldiers, Children Honor Kim Il-song

*SK0806103195 Pyongyang KCNA in English
1017 GMT 8 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 8 (KCNA) — Officials of central and local party, government, administrative and economic organs, anti-Japanese revolutionary fighters, working people of all walks of life, soldiers, school children and students streamed to statues of the great leader President Kim Il-song in their places today, overcome by earnest longing for him on the lapse of 11 months since his death, and made bows with boundless reverence after laying floral baskets, bouquets and blossoms.

The statue of President Kim Il-song on Mansu Hill was surrounded by floral baskets, bouquets and blossoms presented in the name of the party, government, administrative and economic organs, public organizations, central organs, units of the Korean People's Army and the Korean People's Security Forces, organs, enterprises, organizations, factories, co-op farms, schools and families in Pyongyang.

Inscribed on the ribbons of floral baskets are letters "The great leader Comrade Kim Il-song is immortal," "The great leader Comrade Kim Il-song will always be with us" and "The great revolutionary exploits of the respected leader Generalissimo Kim Il-song will be imperishable forever!"

People of various strata made bows to him looking back upon the glorious revolutionary history of President Kim Il-song who had devoted his whole life only to the cause of popular masses' independence, people's freedom and happiness, the prosperity of the fatherland and the independent and peaceful reunification of the country.

They hardened their resolution to be loyal to the great leader Comrade Kim Chong-il and make their country and their motherland more prosperous, eternally holding President Kim Il-song in high esteem.

Small, Medium Power Plants Increase Output

*SK0506115895 Pyongyang Korean Central
Broadcasting Network in Korean 0535 GMT 1 Jun 95*

[Unattributed talk: "Small and Medium Power Plants that Prove Their Worth"]

[FBIS Translated Text] Functionaries of the electric power industry sector and electric power producers are now vigorously waging the struggle to supply more electric power to various sectors of the national economy by upholding the party Central Committee's slogans. The struggle to produce electric power is being vigorously waged not only among large hydroelectric

and thermoelectric plants, but also among small and medium power plants.

The great leader Comrade Kim Chong-il has indicated: The most rapid way to smoothly guarantee the increasing electric power demands is not only to accelerate large electric power plants, but also to wage the construction of small and medium power plants through a movement of all the masses.

The fatherly leader [suryong] and the great leader Comrade Kim Chong-il have already taught that along with large power plants, we should construct many small and medium power plants everywhere throughout the country through a movement of all the masses. As a result, many small and medium power plants have been built along small and large rivers, streams, and reservoirs throughout the country; they greatly contribute to meeting the ever-increasing electric power demands of the national economy.

In recent party Central Committee's slogans, our party has appealed to party members and workers of the electric power industry sector to increase electric power production to the maximum by operating all power plants at full capacity. Thus, cherishing in their hearts the militant task presented in the party Central Committee's slogans, party members and electric power producers across the country are now vigorously waging a struggle to operate all power generation facilities at full capacity. In particular, small and medium power plants in Yanggang Province are accelerating electric power production.

Comrade Kim Chong-nak, chief engineer of the Small and Medium Power Plant Operation Station of Yanggang Province, states:

[Begin recording] Functionaries and electric power producers of small and medium electric power plants in the province are now vigorously waging the struggle to produce more electric power in response to the party's intent. Functionaries of small and medium electric power plants in the province are visiting the small and medium electric power plants and inspiring electric power producers by vigorously waging political work among them. As a result, the struggle to operate electric power generators at full capacity is being vigorously waged in some 20 small and medium power plants in the province. Among these power plants in particular, electric power producers at the (Haumdong) Power Plant in Kim Chong-suk County have overfulfilled their daily electric power production plan by more than 70 percent by properly undertaking waterway repair and water management work. Power generator operators at the (Kalimson) No. Five Power Plant in Pochon County have overfulfilled their daily power production

plan by more than 10 percent by properly undertaking technological and facility management.

In particular, functionaries and power generator operators at the Yonan Power Plant in Paegam County are overfulfilling their daily production plan by operating (?new) generators at full capacity in order to regularize electric power production at a high stage.

Electric power producers at small and medium power plants in Yanggang Province are making active efforts to contribute to enriching and developing our country and fatherland by producing more electric power. [end recording]

Under the wise leadership of our party, small and medium electric power plants of various types have been built everywhere in Yanggang Province in conformity with natural and geographical conditions. These plants have proven their worth today. Thus, the province is supplying a large proportion of the province's total electric power demands compared with the electric power produced by small and medium electric power plants in the province.

The province, which has gained great advantages from previously-constructed small and medium power plants, is concentrating great efforts on regularizing electric power production in previously-constructed power plants at a higher level, in addition to building more small and medium power plants this year.

Responsible functionaries in the province are vigorously leading the operating units at small and medium power plants to more properly establish their production system. They are also vigorously leading all cities and counties and other major units, including the mining and forestry sectors, to properly build and operate small and medium electric power plants.

The Karimchon No. 5 Power Plant, in which the fatherly leader's leadership achievements dwell, is producing much more electric power than its daily production plan by properly planning and coordinating the technological management of its generation facilities. The small and medium power plants in the district of the Yi Myong-su Falls, including the Yi Myong-su No. 10 Youth Power Plant, are waging a vigorous struggle to operate all generation facilities at full capacity while cherishing in their hearts the glory bestowed by the great leader Comrade Kim Chong-il when he personally visited this district. As a result, the electric power produced here not only has been used for lighting and heating in the Yi Myong-su Forestry Station, but has also greatly contributed to operating production machinery, including lathes.

Electric power producers at the nine small power plants built near the Kapsan mine have carried out the work of securing water sources in a substantial manner by taking active measures to prevent even one drop of water from flowing away uselessly. As a result, they are sending a great deal of electric power to villages near this mine. The electric power facilities built in [word indistinct] by the Paektu forest afforestation workteam have always operated at full capacity; the electric power produced here is supplied not only to the workteam and village, but also to schools and greenhouses.

Taehongdan County, which has set an example in solving its electric power demands with its own strength, is concentrating great efforts on building and operating small and medium power plants on a continuous basis. Electric power producers at the Taehongdan No. 1, 2, and 5 Power Plants are properly undertaking facility management while helping and leading each other, thus regularizing electric power production at a high level. Thus, they have made great contributions to improving the standard of living of the people in the county.

Electric power producers in the Provincial Small and Medium Power Plant Complex, including the Mubong Power Plant and the Yi Myong-su No. 1 Power Plant, have fulfilled their monthly and quarterly electric power production plan without fail and have regularized electric power production at a high level through the proper conduct of waterway repair and through the improvement of facility management in conformity with the conditions of [words indistinct]. In Yanggang Province today, not only the struggle to build more new small and medium power plants in conformity with the specific situation of the province, but also the work to properly operate the previously-built small and medium power plants, is being vigorously waged while upholding the fatherly leader's behest and the party Central Committee's slogans.

South Korea

Clinton, Kim Yong-sam Discuss Nuclear Talks

SK0806025695 Seoul YONHAP in English
0215 GMT 8 Jun 95

[FBIS Transcribed Text] Seoul, June 8 (YONHAP) — President Kim Yong-sam had a telephone conversation with U.S. President Bill Clinton Thursday morning and discussed ways to reinforce the two countries' common stance towards North Korea in connection with the U.S.-North Korean nuclear talks currently being held in Kuala Lumpur, Malaysia.

During the 30-minute telephone conversation that began around 8:40 Thursday morning President Clinton

reportedly explained the U.S. Government's position on the contents of the nuclear talks, while President Kim reportedly emphasized that South Korea must play a central role in providing the South Korean light-water nuclear reactors and that an inter-Korean dialogue must resume.

Presidential spokesman Yun Yo-chun said that both leaders exchanged views on major pending issues involved in the provision of light-water reactors to North Korea. However, he did not elaborate on the detailed contents of their conversation.

"President Clinton is expected to send U.S. nuclear ambassador Robert Gallucci to South Korea Friday to hold close consultations with South Korean Government officials to discuss the major issues of the U.S.-North Korea negotiations," Yun said.

U.S. Envoy To Meet Officials on DPRK Pact

Wants To Narrow 'Differences'

SK0806061895 Seoul YONHAP in English
0605 GMT 8 Jun 95

[By Hwang Tu-hyong]

[FBIS Transcribed Text] Seoul, June 8 (YONHAP) — U.S. nuclear ambassador Robert Gallucci will fly to Seoul Friday to narrow the differences between Seoul and Washington regarding ways to formalize the joint agreement to be signed at the ongoing nuclear talks in Kuala Lumpur concerning South Korea's role in the light-water reactor project for North Korea, according to a Foreign Ministry official Thursday.

Officials from South Korea and the United States are currently establishing Gallucci's itinerary, he said.

Gallucci, who is in charge of the nuclear talks with the North, is also expected to discuss with Seoul officials to what extent the North should be provided support facilities for the operation of two light-water nuclear reactors that will be provided to the North under the Geneva nuclear accord reached between North Korea and the United States last October, he said.

"Those are two key issues awaiting coordination between South Korea and the United States, at a time when the United States and North Korea reached tentative agreements on the implementation of the nuclear accord for the provision of the two light-water reactors for the North in return for the North scrapping its nuclear facilities suspected of producing weapons-grade plutonium," he said.

Although North Korea accepted the role of the Korean Peninsula Energy Development Organization (KEDO), an international consortium for the provision of two

light-water reactors to the North, in designating the principle contractor for the construction of the reactors for the North, South Korea still wants the United States to push for the joint agreement to clearly express South Korea's central role in the reactor project, he said.

"Remember how we have suffered so far from the vague terminology regarding the type of reactors to be provided to the North in the Geneva agreed framework," he said. "We want clearer terminology on South Korea's central role in the reactor project."

What matters is how to draw a line connecting the positions of the North, South Korea and the United States in putting down on paper the type of reactors and South Korea's central role, although the North expressed its willingness to accept South Korean-made reactors and South Korea's central role in the project, according to ministry officials.

Gallucci will have to find some common ground acceptable to both South and North Korea, they said. The South is suspicious the North is playing tricks and the North is still showing strong reluctance against accepting the South Korean reactors, apparently out of national pride or political reasons, while actually accepting the content of Korean reactors.

The agreement the United States recently struck with the North at the ongoing nuclear talks in Kuala Lumpur is that KEDO will select the main contractor for the provision of the reactors for the north.

The U.S. position is that KEDO will select the Korea Electric Power Corp. (KEPCO) as the main contractor for the project in accordance with KEDO regulations which stipulate that KEDO was set up to provide the North with Korean standard nuclear power plants.

South Korea, however, is suspicious of the North's intentions and their refusal for more concrete terminology to be used when describing which reactors will be used for the project.

Another key issue Gallucci should tackle during his stay here will be the extent to which the North should be provided with support facilities for the reactors including simulators, ports, power transmission lines and other support facilities, they said.

South Korea's position on that issue is that it would pay only for the provision and construction of two light-water reactors and that the issue of providing North Korea with auxiliary facilities may be discussed directly with the North on an economic cooperation basis, but separately from the nuclear talks.

North Korea meanwhile wants the joint agreement to clearly express that the North will be provided with

those auxiliary facilities estimated to cost an additional 1 billion U.S. dollars, they said.

Gallucci's job on this issue, therefore, will be to find terminology acceptable to the governments of both Koreas which at present still maintain clearly different positions, they said.

The United States wants the agreement to clearly express that some limited auxiliary facilities will be provided to the North while leaving the details for the issue to be established at another round of expert talks, an official said. However, he added that even in such a case the extent of the limited auxiliary facilities would also be discussed with South Korean officials and Gallucci.

Talks Focus on ROK-Style Reactors

SK0806085595 Seoul YONHAP in English
0847 GMT 8 Jun 95

[FBIS Transcribed Text] Seoul, June 8 (YONHAP) — Nuclear ambassador Robert Gallucci of the United States will fly to Seoul early Saturday for discussions with South Korean officials in an effort to put the finishing touches on the ongoing nuclear talks currently being held between the United States and North Korea in Kuala Lumpur, Malaysia, according to a Foreign Ministry spokesman Thursday.

Winston Lord, assistant secretary of state for East Asia and the Pacific, will accompany Gallucci to Seoul, said Yim Song-chun, director-general of the Ministry's American Affairs Bureau.

"Gallucci and Lord on Saturday will have discussions with Seoul officials to finish the ongoing nuclear talks in Kuala Lumpur," Yim said. He, however, added that it was not clear when Gallucci will return to Washington, although he expected it may be Sunday.

"Gallucci is coming to Seoul in an effort to achieve the principles of adopting South Korean-made reactors and South Korea's central role in the North Korean reactor project by strengthening cooperation between South Korea and the United States at a time when the ongoing nuclear talks in Malaysia have reached a critical point," Yim said.

Dismissing reports that Gallucci will come to Seoul to discuss other issues between South Korea and the United States, Yim said that Gallucci's visit has a variety of purposes including discussions with South Korean officials on an early launch of the Korean Peninsula Energy Development Organization (KEDO) which will take control of the operations related to the provision of light-water reactors to the North for the coming 10 years after the signing in Kuala Lumpur of

a joint statement between North Korea and the United States. "Gallucci also has a lot of things to do as he is the chairman of KEDO's executive board, and KEDO must start negotiations with the North on the provision of two light-water reactors to North Korea," the director-general said.

He said North Korea has accepted, on a verbal basis, a substantial portion of South Korea's demands guaranteeing the use of South Korean-made reactors and South Korea's central role in the project.

"We, however, think that clear documentation on the issues should follow in consideration of our experiences at the Geneva nuclear agreement," said Yim, adding that South Korea and the United States are closely cooperating regarding the negotiations with the North.

"We need to use terminology which will explicitly mean South Korean-model reactors and guaranteeing South Korea's central role in the reactor project, to whoever reads them," Yim said.

On North Korea's demand for additional funds for auxiliary facilities, he said that South Korea will not finance any facilities other than those commonly provided by reactor contractors in commercial nuclear projects.

Dismissing as absurd the North's demand for over 1 billion U.S. dollars worth of additional facilities, including power transmission lines, he said that the power lines are not commonly provided by reactor contractors.

During the initial stage of the Kuala Lumpur talks which entered its third week, the North Korean delegation sporadically raised such political issues as replacing the Korean Armistice Treaty with a peace pact, but it primarily focused on the reactor issue, Yim added.

Although North Koreans feel the need to resume an inter-Korean dialogue, the North Korean delegates did not admit they felt now is the best time for a dialogue, citing the existence of the anti-communist National Security Law in South Korea and the South Korean Government's refusal to send a condolence delegation to the North last July when Kim Il-song died, Yim said.

During the entire Kuala Lumpur talks, the North did not bring up the issue of opening liaison offices in Pyongyang and Washington at an early date, Yim said.

Government Wants Central Role in Reactor Pact

SK0806010695 Seoul KBS-1 Radio Network
in Korean 0000 GMT 8 Jun 95

[FBIS Translated Text] The ROK Government issued instructions on clearly guaranteeing the ROK's central

role in the draft agreement on the supply of light-water reactors to North Korea that is to be drawn up at the U.S.-North Korean semi-high-level talks. The government held a meeting of the Unification and Security Policy Coordinating Committee presided over by Na Ung-pae, deputy prime minister in charge of reunification affairs, on the afternoon of 7 June. The meeting reportedly concluded that the clause regarding the ROK Government's central role was ambiguous in the initial draft agreement on the supply of light-water reactors to North Korea drawn up at the U.S.-North Korea semi-high-level talks in Kuala Lumpur.

A government official said that the ROK Government sent emergency instructions to Kuala Lumpur on specifying the ROK's central role. The ROK Government reportedly rejected North Korea's demand for an additional \$1 billion worth of auxiliary facilities. The ROK Government will today reiterate its position that the ROK's central role must be guaranteed.

Dailies View Reported Nuclear Talks Agreement

SK0806095495

[FBIS Editorial Report] Seoul vernacular dailies on 8 June carry editorials and an article commenting on recent reports of an impending settlement of the U.S.-North Korean light-water reactor, LWR, talks held in Kuala Lumpur.

The conservative CHOSON ILBO carries on page 3 an 800-word editorial titled: "There Should Not Be Ambiguity About the LWRs." The editorial notes the 7 June North Korean Foreign Ministry spokesman's interview stating that North Korea and the United States have agreed in principle on the main issues, such as the mode of signing the agreement on the type of LWRs, the U.S. responsibilities, and the bearing of expenses.

The editorial comments: "An ROK Foreign Ministry spokesman commented on this with some reservation. This means that we can hardly estimate how far the talks have progressed and that the progress contains quite a few ambiguous points. Even if the United States and North Korea found some agreeable points, it is too early to define it as an 'agreement.' There are many practical points to be discussed for the provision of the LWRs through the document-drafting process. Nevertheless, strangely, North Korea put forth unprecedentedly hasty propaganda that an agreement has been made in principle. We do not think the LWRs will be built in North Korea with the degree of agreement announced by North Korea. If the agreement is to be practical enough for actual construction, it should be preceded by specific discussion on the role of the party that will build the LWRs."

The editorial continues: "In the agreement on the construction of a power station, it is impossible to specify all the details in the written agreement, therefore, a so-called 'reference power station' is designated, and unless there is an agreement on this point, no agreement can be implemented."

The editorial stresses the ROK's central role in the construction of the LWRs and the ROK's participation as one of the main parties concerned, and concludes: "The Kuala Lumpur semi-high-level talks should not follow the example of the Geneva high-level talks, but make specific stipulations in the agreement so it can practically serve the provision of LWRs for North Korea."

The conservative CHOSON ILBO carries on page 1 a 300-word article by correspondent Kim Chang-kyun in Washington. The article begins: "It has been learned that the provisional written agreement worked out between the United States and North Korea at the Kuala Lumpur talks does not contain any clause stipulating that the LWRs to be supplied to North Korea will be ROK-style reactors." The article notes that the written agreement specifies "two 1,000 megawatt LWRs provided by the Korean Peninsula Energy Development Organization, KEDO, to which some modifying words are added to denote that the LWRs are ROK-style reactors.

The article then notes: "This is different from the ROK Government's position that a specific written clause should be included in the agreement requiring that North Korea accept ROK-model LWRs." The article continues: "The U.S. Government asserts that 'although the ROK-model is not specifically indicated, the provisions in the written agreement indicate, in fact, that the LWRs are ROK-model reactors.' However, the ROK Government is maintaining that although the expression 'ROK-model' is not directly used, it should contain an expression that can be considered a proper noun for it."

The moderate KYONGHYANG SINMUN carries on page 3 an 800-word editorial titled: "The Task After Settlement of the LWR Issue." The editorial welcomes the agreement reached on the LWR issue, and comments: "The North Korean agreement to entrust the work of choosing the type of LWRs to KEDO means that North Korea accepts the ROK standard model LWRs." The editorial then notes the agreement reached on the LWRs is only on the overall outline and notes the ongoing negotiation among the ROK, the United States, and Japan on specific points to discuss how they should help North Korea save face in such matters as the name of the LWRs and how the cost, including the additional expenses North Korea demanded, should be borne. The

editorial then stresses the need for writing down all the important points specifically and precisely in the agreements — not only between the United States and North Korea, but also among the ROK, the United States, and Japan. The editorial then urges North Korea and other countries concerned in the construction of the LWRs to exercise their discretion not to let political issues disrupt the progress of the construction, which will take about 10 years.

U.S. 'In a Dilemma' Over Armistice Agreement

SK0806113195 *Seoul SISA JOURNAL in Korean*
8 Jun 95 pp 52-54

[Article by Yi Hung-hwan: "The United States Is in a Dilemma Over Peace Agreement"]

[FBIS Translated Text] There are three ways to end a war. One is that the two warring countries stop fighting (suspension of hostilities); next is that one side completely defeats the other side (conquest); and the last is that the two sides, going through neither of the above, conclude a peace agreement.

Since the 1970's, North Korea has consistently called for a peace agreement. In other words, North Korea wanted to replace the Armistice Agreement signed in 1953 with a peace agreement. Whenever North Korea contacted the United States, it brought up the issue of a peace agreement, stressing the issue as an important agenda item. Whether the peace agreement issue should be discussed or not became a point of dispute during the recent semi-high-level talks in Kuala Lumpur. The U.S. position is clear. In other words, the United States wants to maintain the framework of the Armistice Agreement. As a result, a war of nerves has been tediously continuing between the United States and North Korea.

Yim Tong-won, secretary general of the Asian-Pacific Peace Foundation, pointed out that only when we correctly understand the two different concepts included in the phrase, "the peace agreement," can we avoid confusion. He stressed: When hostile nations want to normalize their relations, they conclude a peace agreement. The concept of a peace agreement meaning normalization of U.S.-North Korea relations should be separated from the concept of a peace agreement meaning the replacement of the Armistice Agreement.

Contacts have already been made between the United States and North Korea for normalization of diplomatic relations. The Geneva agreement is part of such an effort. It is a common view of experts that although the U.S.-North Korean contact has often faced stumbling blocks, it is advancing toward the ultimate goal of the establishment of diplomatic relations. In other words,

the basic drawing of the framework of peace for normalization of relations between the two sides has already been completed. The only issue left is the true intention of the United States in maintaining the framework of the military Armistice Agreement.

"The ROK Can Be the Relevant Party for Concluding a Peace Agreement"

What North Korea wants is the dismantling of the UN Forces Command, whose main axis is the U.S. Forces in Korea. The commander of the UN Forces is the so-called "warring party" and when the Armistice Agreement becomes invalid, the basis for existence of the UN Forces will vanish. This is why North Korea seeks dissolution of the UN Forces Command. The Korean Armistice Agreement stipulates that one party of the Armistice Agreement is the commander in chief of the UN Forces and the other parties are the supreme commander of the Korean People's Army and the commander of the Chinese People's Volunteers.

This is precisely the factor pushing the United States into a dilemma. As long as the policy of keeping the UN Forces, whose main axis is the U.S. Forces, in the ROK is maintained, it is difficult for the United States to agree on replacing the Armistice Agreement with a peace agreement. Some experts point out that another agony of the United States is not being able to openly mention a certain issue during the U.S.-North Korean contact — the existence of U.S. Forces stationed in Japan.

With a view to supporting UN Forces activities on the Korean peninsula, the Japanese Government is supposed to provide the United States with military bases and facilities in Japan, as well as relevant services, in accordance with the treaty signed between the United States and Japan during the Korean war period. This being the case, in the event that the U.S. Forces Command in the ROK is dissolved, the United States will lose its justification for using military bases in Japan. Japan is the cornerstone of implementation of U.S. policy in Northeast Asia. In other words, Japan is indispensable to the U.S. position of heading off China's hegemonism resulting from its economic expansion and of maintaining the balance of power in Northeast Asia. Therefore, the United States is not in a position to support the peace agreement to replace the Armistice Agreement, and such a position will be maintained for the time being.

Yim Tong-won, secretary general of the Asia-Pacific Peace Foundation, said: "North Korea surely knows the agony of the United States. This notwithstanding, North Korea is continuously insisting upon a peace agreement.

This is because North Korea's aim is not to realize an immediate conclusion of a peace agreement, but to attain its primary goal concerning improvement of U.S.-North Korean relations."

Contacts between North Korea and the United States have been made on a continual basis. In December 1994 when a U.S. military helicopter made an emergency landing in North Korea, a channel of military contacts was developed between the United States and North Korea. The return of Warrant Officer Hall was realized through this channel. At that time, no contacts were available through the Military Armistice Commission [MAC]. The United States tried to put the MAC in operation again, but in vain; and as a result, this way was used out of expediency. Some experts understand that this military contact channel is an intermediate stage between a peace agreement and the Armistice Agreement, while others point out that such a channel is not a stage closer to the conclusion of a peace agreement, but is only one of several dialogue channels aimed at normalizing relations.

The conclusion of a peace agreement entails several legal questions that generally arise in concluding a treaty. Those questions are: Who are the parties involved in the conclusion of a peace agreement? What is the relationship between a peace agreement and the South-North agreement that was reached in 1991?

Kim Myong-ki, professor of law at Myongji University, who has studied international laws concerning the legal status of South and North Korea, argues that legal questions are no less important than political matters in the discussions between South and North Korea and the United States on adopting a peace mechanism, but the parties concerned are making little of this point.

The UN Command's signatory to the Armistice Agreement is the commander in chief of the UN Forces. No ROK representative has ever signed the Armistice Agreement either singly or jointly with the commander-in-chief of the UN Forces. Moreover, the ROK Government is not the party involved in the Armistice Agreement because it opposed the conclusion of the agreement.

This notwithstanding, Professor Kim points out that the ROK is fully entitled to be involved in the conclusion of a peace agreement.

Addendum 62 of the Armistice Agreement stipulates: "The agreement shall continue to be in effect until the two sides clearly replace it with an appropriate agreement for a peaceful settlement on a political level." This stipulation on "a peaceful settlement" on "a political level" means that the military agreement can be

dealt with on a political level; that is, the ROK is not involved from a military standpoint, but can be legally involved from a political viewpoint.

Professor Kim points out that from the standpoint of international laws, the parties involved in cease-fire agreements are not necessarily the same as the parties involved in peace agreements. Legally speaking ("cease-fire" and "armistice" are different terms, but are not distinguished in this article), if a force of allied nations is formed and engage in military operations, the parties involved in the cease-fire agreement are generally not the same as those involved in the peace agreement. In January 1973, the cease-fire agreement of the Vietnam war was concluded between the United States, the then-Republic of Vietnam, the then-Democratic Republic of Vietnam, and the then-Vietnamese Provisional Revolutionary Government. In March 1973, a total of 12 nations participated, in the form of issuing a joint statement, in signing "The Protocol of the International Conference on Vietnam." Also in World Wars I and II, and the Middle East war the parties involved in the cease-fire agreements and those involved in the peace agreements were not the same.

While emphasizing the political nature of a peace agreement, Professor Kim cites, as an example, the political talks held in Geneva in 1954. He says: "According to Clause 60 of the Armistice Agreement, the Armistice Agreement takes on a purely military nature. The discussion of political questions was postponed so that a solution could be found at the subsequent political talks. Under such circumstances, the political talks were held in Geneva in 1954."

The Geneva political talks were held in accordance with a resolution adopted at the UN General Assembly on holding relevant political talks (August 1953) on the basis of Clause 60 of the Armistice Agreement.

The ROK, too, participated in the Geneva talks, which were held from 26 April to 15 June 1954. Attending the talks were the delegates of 15 nations that participated in the Korean War, excluding South Africa, from the UN side; and the delegates of Communist China, North Korea, and the Soviet Union from the communist side. The Geneva political talks, in which the ROK participated, proved that the ROK, too, is a party concerned in the political question of the Korean peninsula.

At the present moment, the ROK has been excluded from the U.S.-North Korean contacts to discuss the supply of light-water reactors. The biggest pending issue in the U.S.-North Korean contacts is the question of light-water reactors. Whenever the question of light-water reactors is discussed, the question of a peace

agreement is raised. One expert points out that the U.S.-North Korean contacts are all-encompassing contacts involving all questions, including political and economic issues. The question of light-water reactors is only one of them.

"How long Will the ROK Remain Silent?"

North Korea has been suffering from an energy shortage. The estimated year of completion of the light-water reactors will be around 2003. This is a remote future story. In terms of immediately solving the energy shortage problem of North Korea, it will be more effective for North Korea to build thermoelectric power plants in a short period of time than to build light-water reactors. In the case of building thermoelectric power plants, it does not matter whether such plants will be ROK-style plants or not. Because of this logic, some analyze that North Korea's negotiations with the United States on the light-water reactors are based somewhat on North Korea's own political game-oriented policy aimed at maintaining the negotiation channels between the United States and North Korea.

One expert points out that the designation of the light-water reactors is, in fact, not a matter that deserves dispute. He argues that it would be all right to name the light-water reactors after a location, like Kori Nos. 1 and 2 reactors, in conformity with international practice. He contends that the ROK does not name its own atomic reactors after the names of U.S. manufacturers.

The key points in the U.S.-North Korean contacts, such as the talks on the light-water reactors and the general-grade officers' talks, are the replacement of the Armistice Agreement with a peace agreement; the withdrawal of U.S. Forces from the ROK; and, furthermore, the withdrawal of U.S. Forces from Japan. North Korea's consistent contention is that if the United States wants to improve its relations with North Korea, the United States should give up on its idea of trying to impose military sanctions against North Korea. In addition to this contention, North Korea is also calling for the conclusion of a peace agreement on the premise of the withdrawal of U.S. Forces from the ROK.

In the meantime, the United States, which is suspicious of North Korea's nuclear program and is preoccupied with its own national interests, is reluctant to conclude a peace agreement in which it will have to withdraw its troops from the ROK. The United States wants a new system in which the United States can not only maintain the Armistice Agreement (which enables the U.S. Forces to stay in the ROK), but also in which it can seek the improvement of relations with North Korea (which means the establishment of diplomatic relations with North Korea). How long will the ROK

keep silent? The ROK cannot indefinitely be satisfied with playing only a cameo role in the midst of the tug-of-war between the United States and North Korea with regard to conclusion of a peace agreement.

U.S., ROK Officials Discuss Mutual Defense

SK0806073295 Seoul THE KOREA HERALD
in English 8 Jun 95 p 3

[FBIS Transcribed Text] Security officials from South Korea and the United States have met in Washington and agreed to expand cooperation in logistics support and the development of defense technology, the Defense Ministry announced yesterday.

At a Security Cooperation Committee (SCC) meeting held at the Pentagon Monday, the two sides decided to exert joint efforts for the improvement in regulations on Korean exports of defense industry goods produced with U.S. technology.

The agenda at the meeting included the project of installing up-to-date facilities for electronic warfare on F-16 aircraft to be purchased under the Korea Fighter Program.

Assistant Defense Minister Yun Chong-ho, who headed the Korean delegation, requested that the project be carried out under the U.S. Foreign Military Sales program.

The SCC meeting is one of a series of meetings held in preparation for the annual Security Consultative Meeting (SCM), which is to be held in Seoul in October of this year.

The other meetings held are those of the Logistics Cooperation Committee (LCC), the Defense Technology and Industrial Cooperation Committee (DTICC) and the Policy Review Subcommittee (PRS).

At the DTICC meeting Tuesday, the two sides agreed to expand the scope of cooperation in the field of defense technology. They also decided to unify the committee with SCC next year.

Discussion at the LCC meeting, which was also held Tuesday, focused on improving the warfare capability of the Korea-U.S. combined forces.

USFK Civilian Flees to U.S. After Sentencing

SK0806074995 Seoul YONHAP in English
0743 GMT 8 Jun 95

[FBIS Transcribed Text] Seoul, June 8 (YONHAP) — A U.S. Army civilian employee convicted and sentenced to serve a prison term by the local court in the first trial which charged him with assaulting his Korean

girlfriend, fled to the United States shortly after the verdict was delivered.

James K. Lee, 34, a civilian employee at the Eighth U.S. Army, fled to America aboard a Northwest Airlines flight shortly after being sentenced to an eight-month prison term by the Seoul District Court on April 13 on charges he assaulted his girlfriend identified only as Yang, age 24, it was belatedly learned at the Seoul District Prosecutor's Office Thursday.

Under the provisions of the South Korea-U.S. Status of Forces Agreement (SOFA), the U.S. Forces in Korea maintain custody of American serviceman and Department of Army civilian employees who are convicted and sentenced to prison terms by the local court in their first trials until the conviction and sentencing terms are confirmed by the appellate court.

"Accordingly, it was impossible for the prosecution to demand that the U.S. military release Lee into the custody of local authorities," a prosecution official said.

Article Says Regime 'Kneeled' to U.S. on Trade

*SK0706120195 Seoul SISA JOURNAL in Korean
8 Jun 95 p 6*

[Article by reporter Kim Tang: "The Government Has Kneeled Down to the Arrogance and Prejudice of the Government of the United States of America"]

[FBIS Translated Text] The pier at Incheon Port is overflowing with imported grains. As of the end of 1994, the ROK's import liberalization ratio was 92.3 percent; and, except for rice, 91 percent of the grains for domestic consumption and feed grains, such as wheat, beans, corn, foxtail millets, and barley, were imported. When converted into their monetary value, imported foodstuffs last year amounted to 6,300 billion won in Korean currency.

Under these circumstances, the U.S. food industry has filed a complaint against the ROK with the World Trade Organization [WTO]. U.S. industry has pointed out that "access to the ROK market is the most difficult in the world," because of the technical barriers imposed by the ROK, such as the short shelf life for imported foodstuffs and delays in quarantine and customs inspections and in the customs clearance process.

"The Solidarity of Consumers and Farmers for the Guarantee of the Sanitary Safety of Foodstuffs (with its executive committee chairman, Professor Chang Won-sok)," which was formed by a total of 36 social organizations on 19 May, has been resisting the government over its trade policy, particularly because the government has introduced the system of conducting "customs clearance first and inspections later" under U.S. pressure.

The above-mentioned organization of consumers and farmers said that the U.S. request "is laying an unfair trade barrier" because the United States is implementing its own system of conducting customs clearance first and inspections later by performing the relevant inspections of food sanitation in advance, such as conducting its own strict on-the-spot inspections on seeds and the production and consumption process of ROK-produced agricultural products.

However, under these circumstances, the United States is asking the ROK, which is not conducting any advance inspections, to implement a similar system. After "the incident involving chemical residues found in imported wheat," the government has increased the number of target agricultural products on which to apply the permissible level of chemical residue from 38 in 1993 to 105 in 1995; a similar number in the United States is 462. At present, less than 80 inspection officials equipped with inadequate facilities are inspecting a total of 110,000 cases of imported agricultural products annually. Taking this fact into consideration, the U.S. request to conduct customs clearance first and inspections later is virtually equivalent to a request to eliminate inspections of the sanitary levels of imported agricultural products.

In this respect, we construe these circumstances as meaning that the WTO system is forcing us to take a new countermeasure. In particular, "the questions arising from the customs clearance process," which focuses on quarantine inspections of animals, plants, and foodstuffs, are emerging as the most urgent pending trade issues between the ROK and the United States. The strength of the ROK Government, which should protect the health of its citizens in an era of a new world trade order, is still weak.

World Vision, DPRK Officials Discuss Food Aid

*SK0806015395 Seoul YONHAP in English
0023 GMT 8 Jun 95*

[FBIS Transcribed Text] Beijing, June 8 (YONHAP) — Representatives from World Vision International recently met in secret with North Korean officials in Beijing to discuss providing the North with a considerable quantity of food aid, a reliable source said Wednesday.

The source well-versed in the North Korean affairs said, "I've heard about the secret contact between World Vision and North Korea from a member of the North Korean delegation to the talks. But no details have been disclosed."

But judging from a number of signs, the source opined that the secret meeting in question appears to have lasted

for six or seven days, and that they have apparently agreed to supply the North with hundreds of tons of additional food grains.

Late last May, World Vision transported to North Korea from a Chinese border city 500 tons of millet grain, purchased in China to help alleviate the food shortage in the North.

The North Korean delegation to the secret talks appears to have been headed by Chon Kum-chol, vice chairman of the North's Asia-Pacific Peace Committee, the source added.

In the meantime, the U.S. Treasury was reportedly to have permitted World Vision international to supply 100,000 tons of food grains to North Korea.

North Trying To Secure Private Japanese Loans

SK0806130395 Seoul CHOSON ILBO in Korean
8 Jun 95 p 27

[FBIS Translated Text] It is reported that North Korea has been prudently seeking to secure low-interest, long-term loans from Japanese banks on the security of sites of schools and other properties of the pro-Pyongyang General Association of Korean Residents in Japan [Chochongnyon]. This is reportedly intended to pay for grain imports.

A source well versed in North Korean and Chochongnyon affairs said on 7 June that Yi Song-nok, chairman of the Committee for the Promotion of International Trade, did not visit Japan merely to ask for grain assistance, adding: "I have learned that Yi Song-nok secretly met with officials of Japanese financial circles and discussed the issue of securing loans on the security of Chochongnyon properties." The names of the banks whose officials he met have not been confirmed. However, it is highly likely that Yi met with officials of affiliated banks of Nissho-Iwai, Marubeni, Itochu, and Mitsubishi because these Japanese companies invested in the modernization projects of Anju Coal Mine, Hwanghae Steel Mill Complex, Namhung Youth Chemical Enterprise, and Suncheon Cement Plant in North Korea in the 1970's but have not yet been paid \$20 million to \$30 million.

There are 10 Chochongnyon schools in Tokyo, including Choson University. These schools are registered under the name of the Education Association, a Chochongnyon umbrella organization. Therefore, Chochongnyon has not made public the loan issue, considering the possible opposition of Chochongnyon educational officials and businessmen.

Observers predict that contrary to expectations, the loan issue may be easily resolved considering that

Kim Chong-il donated 1 million dollars through Chochongnyon during the earthquake in Kobe early this year. Through Kim Chong-il's letter on the 40th anniversary of Chochongnyon's founding or through the North Korean media, North Korea urged Chochongnyon to devote itself to making joint ventures and working in collaboration with Pyongyang and extending economic assistance to Pyongyang, which is called "patriotic work." This is related to the loan issue.

Chochongnyon Chief Vice Chairman Ho Chong-man, who is fully in charge of North Korea's securing loans from Japanese banks, is considered to be a "person who tries to win Kim Chong-il's trust by even selling off all of Chochongnyon." Ho Chong-man reportedly has secretly met leaders of the delegation of the Japanese ruling coalition who have been seeking to resume negotiations to establish diplomatic relations between North Korea and Japan, and made the loan proposal to them. Ho, a confidante of North Korean Vice President Kim Pyong-sik, who comes from Chochongnyon, has competed with Chochongnyon First Vice Chairman Yi Chin-kyu to take control of Chochongnyon in case the ailing Chochongnyon Chairman Han Tok-su dies.

Minister Cautions Japan on Rice Aid to DPRK

SK0806030395 Seoul YONHAP in English
0217 GMT 8 Jun 95

[FBIS Transcribed Text] Seoul, June 8 (YONHAP) — The South Korean Government strongly urged Japan Thursday to take "caution" in proceeding with its plan to supply rice to North Korea until after South Korea's rice aid to the communist country has been realized through direct contact between Seoul and Pyongyang.

Na Ung-pae, deputy prime minister and minister of the National Unification Board (NUB), clarified the government's position in the "The Announcement of the Deputy Prime Minister for Unification Affairs Regarding Rice Aid to North Korea."

Na said in the announcement, "The (South Korean) Government proposed to hold a contact between authorities from both sides to discuss how to supply rice to the North and urged the northern side to directly notify us of its decision. We are now awaiting a North Korean offer for a contact."

Na pointed out that if Japan provides food grains to North Korea before South Korea, without recognizing the particular circumstances of inter-Korean relations, then it will hinder South Korea in its efforts for peaceful reunification as well as negatively affect South Korea-Japan relations.

North Korea recently asked Japan to supply rice and then reportedly expressed its willingness to Japan's ruling coalition parties to hold talks with South Korea on the rice supply issue.

PRC To Keep Giving Crude Oil, Arms to North

SK0806031295 Seoul SEOUL SINMUN in Korean
8 Jun 95 pp 1, 2

[By correspondent Yi Sok-u from Beijing]

[FBIS Translated Text] A PRC Foreign Ministry official revealed on 7 June that the PRC will continue providing aid materials to North Korea and maintain the usual level of the quantity of crude oil and weapons supplied to North Korea, despite the rapid development of relations with the ROK.

The official said that the PRC judged that it should exercise influence over North Korea and prevent the collapse of the North Korean regime. Tang Jiaxuan, PRC vice foreign minister, who is on a visit to North Korea starting 7 June, will reconfirm that the PRC will maintain its usual level of the supply of 1.5 million tonnes of crude oil and weapons, including tanks and missiles, for North Korea.

The official said that the PRC Government will notify North Korea that it will not approve the opening of ROK consulate generals in Liaoning and Shenyang within this year, considering the friendship between the PRC and North Korea.

However, Tang reportedly will convey the PRC's difficulty in providing foods to North Korea due to the PRC's own food shortage this year.

Vice Foreign Minister Tang reportedly will also convey the message to North Korea that the PRC is a party to the Armistice Agreement of the Korean peninsula, and that the PRC must participate in discussions on the Armistice Agreement as a party concerned.

The official revealed that Vice Foreign Minister Tang will convey the PRC Government's concern over North Korea's improvement of relations with Taiwan.

The official added: "The PRC Government is paying close attention to the improvement of relations between North Korea and Taiwan. The PRC is concerned about such improvement damaging the PRC's sovereignty and reunification policy. Vice Foreign Minister Tang will convey the PRC's opinion that such relations are not conducive to the development of PRC-North Korean relations."

The PRC Foreign Ministry delegation led by Vice Foreign Minister Tang arrived in North Korea on 7 June and will stay until next Tuesday [13 June]. The

delegation is scheduled to meet with Kim Yong-nam, North Korean foreign minister, and Kim Yong-sun, international director of the Workers Party of Korea. A separate CPC delegation led by Xu Qing, deputy secretary of the Central Commission for Discipline Inspection, also visited North Korea on 7 June.

Defector Describes 1992 Coup Attempt in DPRK

SK0806115895 Seoul CHUNGANG ILBO in Korean
8 Jun 95 pp 1, 2

[Report by Choe Won-ki]

[FBIS Translated Text] The whole story of the "25 April coup d'etat" in North Korea has been disclosed for the first time. It is said that the "25 April coup" was staged by the North Korean military in an attempt to eliminate Kim Il-song and Kim Chong-il on 25 April 1992 on the occasion of the 60th anniversary of the founding of the People's Army.

In his memoirs temporarily titled "Pyongyang Is Dreaming of Seeking Refuge," which will soon be published by CHUNGANG ILBO, Mr. Kang Myong-to, 37, a former defector from North Korea and son-in-law of North Korean Premier Kang Song-san, disclosed the whole story of the failed 25 April coup staged by the North Korean military.

Mr. Kang said he had obtained this information through the preliminary examination department of the security unit of the Ministry of the People's Armed Forces. The preliminary investigation department is in charge of conducting initial investigations into major military cases, including rebellions.

According to Mr. Kang, the coup was planned by about 40 young generals who had studied in the Soviet Union, led by Colonel General (this rank is equivalent to lieutenant general of the ROK) An Chong-ho, then deputy chief of the General Staff of the People's Army.

According to the coup plan, by mobilizing a tank unit under the Capital Garrison Command, they were planning to eliminate Kim Il-song, Kim Chong-il, and about 50 high-ranking North Korean officials who would attend a ceremony marking the 60th anniversary of the founding of the People's Army.

They planned, then, to seize the situation room of the Ministry of the People's Armed Forces and seal off the area outside Pyongyang with the coup troops, and to take over the buildings of the Workers Party of Korea, the State Security Department, and the Ministry of Public Security one after another.

In connection with the coup plan, they had been maintaining, through the KGB, a certain kind of channel

with the Soviet Union, whose relations with North Korea were shaky at that time.

This notwithstanding, their coup attempt failed right before it took off.

This was because the original plan for the military parade, which had originally envisioned the mobilization of a tank unit of the Pyongyang Capital Garrison Command, was changed.

At that time, O Chin-u, then minister of the People's Armed Forces, accepted a proposal made by Pak Ki-so, 66, full general and director of the tank bureau of the Ministry of the People's Armed Forces, who said: "It will be natural for a tank unit under the direct control of the People's Army — rather than a tank unit under the Capital Garrison Command — to participate in the ceremony marking the 60th anniversary of the founding of the People's Army."

Afterwards, the failed coup plot was leaked by a dismissed Russian KGB agent to the North Korean authorities. As a result, about 40 pro-Soviet generals, including An Chong-ho, were executed secretly around May 1992.

Mr. Kang said: "Since the time of this incident, the officers in the military who have studied in the Soviet Union have suffered a bitter blow, while many of them have been purged. We still cannot completely rule out the possibility of a second military coup."

Coup Participants, Motives Profiled

SK0806122295 Seoul CHUNGANG ILBO in Korean
8 Jun 95 p 2

[Report by Choe Won-ki]

[FBIS Translated Text] The details of the North Korean military's "25 April coup" has been disclosed by Mr. Kang Myong-to, 37, former son-in-law of Kang Song-san, premier of the North Korean Administration Council.

The incident has been reported mainly by Japanese sources in the form of a rumor that "some North Korean military officers were executed for involvement in a military mutiny in 1992."

Mr. Kang testifies that the coup was initiated by some 40 elite officers led by An Chong-ho, 52, deputy chief of the General Staff of the North Korean People's Army.

Colonel General (three-star general, a rank equivalent to that of the commander of an army corps) An Chong-ho who studied in the Soviet Union after graduating from Mangyongdae Revolutionary School, and who served in such important posts as director of the Operations

Department and the head of the Combat Training Bureau of the Ministry of People's Armed Forces, was a "rising star" in the North Korean military.

Among the 40 officers who participated in the coup were the deputy head of the Combat Training Bureau (name unknown, a major general), the deputy chief of staff of the Operations Bureau (name unknown, major general), the director of the Security Department of the General Staff (major general), and the director of Overseas Dispatch Division of the Reconnaissance Department (name unknown).

A noteworthy fact is that all the officers who participated in the coup studied in the Soviet Union. Beginning in the 1960's North Korea selected promising officers and sent them to the Purunje General Military College [name of college as transliterated] of the Soviet Union. In other words, North Korea conducted an elite education for its military officers. Purunje Military College was a Soviet version of the U.S.'s West Point.

Mr. Kang explains that skepticism about the North Korean system and personal complaints about Kim Chong-il were the two major reasons the coup was attempted.

The military officers studied in the Soviet Union for three to four years in the 1970's. They were exposed to a far freer atmosphere studying in the Soviet Union than they did in North Korea. It was quite natural that they should become skeptical about the stifling political reality in Pyongyang upon their return home.

Mr. Kang said that Kim Chong-il's distortion of history was another reason for the military officers plotting the coup. Most of them graduated from Namsan School, a celebrated school in Pyongyang, and are either classmates of or alumni with Kim Chong-il. They were well aware of Kim Chong-il's birth and his dissipated life style. Therefore, North Korea's fabrication of history aimed at creating symbolic characteristics to facilitate the hereditary succession of power unprecedented in the history of communism, such as Kim Chong-il's falsified birth-place of the secret camp of Mt. Paektu, aroused intense animosity in them.

Mr. Kang said that after the coup failed, Kim Chong-il not only secretly executed the 40 officers who participated in the abortive coup, including An Chong-ho, but removed all the officers in the military in their fifties or younger who belonged to the faction that studied in Russia.

Mr. Kang added: There have been continual coup attempts every 10 years in North Korea, such as the

Ho Pong-hak incident in the sixties, and the Yi Hyo-sun, Kim Chang-pok, Kim Pyong-ha, and An Chong-ho incidents. Despite the tight surveillance system, the possibility of a coup by the North Korean military cannot be precluded completely.

Kim Tae-chung Wants To Meet With Kim Yong-sam

SK0706113795 Seoul YONHAP in English
1049 GMT 7 Jun 95

[FBIS Transcribed Text] Puchon, June 7 (YONHAP) — Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation, said Wednesday he would like to meet President Kim Yong-sam to discuss the unification question.

In a lecture at Seoul seminary here, Kim said there are many problems in the government's unification policy.

"Aside from other issues, I would like to open-heartedly discuss the unification issue with President Kim," Kim said. "I regret I have had no such opportunities thus far."

The former opposition leader said he wanted to be a president. "It would be a great regret for me to die without becoming a president, but I didn't try to be a president in a non-rightful manner."

He explained that during the merger of the three parties in early 1990, the then President No Tae-u approached his Party for Peace and Democracy first before turning to the Reunification Democratic Party and the New Democratic Republican Party led by Kim Yong-sam and Kim Chong-pil, respectively.

"But, I turned down the offer outright," Kim Tae-chung said.

Kim, quoting a recent WASHINGTON TIMES report, asserted that the United States warned the Seoul government against employing a hardline policy toward North Korea for a domestic political purpose.

"The government and press should explain why such an important item has not been reported (in the country)," he said.

Burma

Health Care Cooperation Discussed With China

*BK0706130695 Rangoon Radio Myanmar in Burmese
1330 GMT 6 Jun 95*

[FBIS Translated Text] A five-member Chinese delegation led by (Dr. He Qianqing), deputy health minister [title as received] of the People's Republic of China, and a Myanmar [Burmese] delegation led by Colonel Than Zin, deputy minister of health, and including directors general from Health Ministry departments and other relevant personnel, discussed health-related issues at the Medical Research Institute Meeting Hall at 0900 today.

They held extensive discussions on maternity and child welfare activities; preventing the spread of contagious diseases from the border regions, and air, sea, and land entry points; traditional medicine; and bilateral technical cooperation on health matters. They also signed a memorandum of understanding.

Rebel Students Criticize Arrest of NLD Chief

*BK0806085795 (Internet) BurmaNet News in English
7 Jun 95*

[FBIS Transcribed Text] ABSDF [All Burma Students' Democratic Front] Statement on the re-arrest of U Kyi Maung, dated 7 June 1995.

U Kyi Maung, Chairman of the National League for Democracy (NLD) who has been released by the SLORC [State Law and Order Restoration Council] on March 31, 1995 (three months ago) was re-arrested last week in Rangoon and charged with having successive meetings with the diplomats, reporters and journalists from foreign countries. It has now been announced that he and other three were still being detained by the Burmese military junta.

This incident, and the SLORC savage action, demonstrate clearly yet again that there are still no signs of progress towards democratic changes and human rights record under the military regime.

It is very convinced that SLORC has no intention to release Daw Aung San Suu Kyi who has been under house arrests for six years by July 20, maximum imprisoned period under the SLORC laws.

The ABSDF strongly denounces the SLORC for re-arrest of U Kyi Maung and other three, and their continuation of human rights abuses in Burma.

The ABSDF, deplores the continuing unwillingness of the SLORC to tolerate any democratic activity and human rights in Burma and demands the immediate

release of Daw Aung San Suu Kyi, U Kyi Maung and other political detainees.

We earnestly appeal to the international community to exert more pressure against the SLORC who has been committing the continuous human rights abuses by ignoring the demand from the international community and the will of the Burmese people.

We also urge the ASEAN nations to exclude the SLORC from participating as a guest to forthcoming ASEAN meeting in July in Brunei.

We also urge the Burmese students inside and outside of Burma to double our great struggle to uproot the military dictatorship from our mother land, in hand in hand with us.

Signed: Central Leading Committee Southern Command ABSDF

Brunei, Malaysia & Singapore

Malaysia

Bosnian Peacekeepers To Receive Additional Arms

*BK0706084895 Kuala Lumpur Voice of Malaysia
in English 0800 GMT 7 Jun 95*

[FBIS Transcribed Text] Malaysia's Defense Forces Chief General Tan Sri Ismail Omar says the government will equip Malaysian peacekeepers in Bosnia with appropriate weapons to defend themselves in view of the deteriorating situation there. They will also be equipped with long-range weapons as soon as the green light is given by the United Nations [UN].

The general told newsmen in Kuala Lumpur Malaysia had yet to receive a reply from the UN regarding its proposal to send additional 1,500 troops to Bosnia.

Malaysia hoped to update the strength of the Malaysian battalion in Bosnia-Herzegovina to 3,000 personnel so that it could function effectively as a brigade.

Talks on Disputed Islands Begin With Indonesia

*BK0606122995 Kuala Lumpur Voice of Malaysia
in English 0800 GMT 6 Jun 95*

[FBIS Transcribed Text] Indonesian and Malaysian officials said they wanted their long-running dispute over the Sipadan and Ligitan Islands sorted soon. Izhar Ibrahim, director general for political affairs of Indonesia's Foreign Ministry, said senior officials from Indonesia and Malaysia started a four-day meeting today to discuss sensitive bilateral issues including the dispute over the islands off the coast of East Kalimantan.

The current round of talks, the fourth, would also consider the determination of exclusive economic zones, land borders, migrant labor, and the illegal entry of Indonesians from the northern province of Aceh into Malaysia.

Higher-Level Talks Expected

BK0806112595 Kuala Lumpur BERITA HARIAN
in Malay 8 Jun 95 p 3

[Report by Razali Yahya]

[FBIS Translated Text] Jakarta, Wednesday — Malaysia and Indonesia are expected to continue their talks on the disputed Sipadan and Ligitan Islands at a higher level toward seeking a speedy solution to the issue.

According to a source of the Malaysia-Indonesia Joint Commission meeting, senior officials from the two countries were preparing to submit their proposals that the bilateral talks be continued at a relevant level to their respective ministers.

Previously, Indonesia made the proposal for the talks to be continued because it disagreed with Malaysia's proposal calling for the issue of the disputed Sipadan and Ligitan Islands to be settled through the International Court of Justice (ICJ).

The foreign ministers of the two countries, who will meet this Friday, were expected to accept the proposal made by senior officials of the two countries at their meeting held yesterday.

Prior to this, Indonesia had agreed with Malaysia's proposal to submit the issue to a third party for settlement. On the other hand, it did not want the issue to be solved through the ASEAN mechanism.

The source stated that it was clear that the two countries wanted to continue the talks from the fact that the senior officials to the Malaysia-Indonesia Joint Commission meeting did not hold any in-depth (?discussion) in Jakarta on Tuesday.

However, it was reported that the senior officials of the two countries participating in the Malaysia-Indonesia Joint Commission meeting today began preparing a draft report of the meeting that will be submitted this Friday to their respective ministers.

The source said: "It appeared that the two delegations did not encounter any problem when they discussed 18 topics comprehensively during the first day of their meeting held yesterday. In view of this, the delegates from the two countries will have the opportunity and time to prepare their draft report of the meeting to be held at ministerial level."

Foreign Minister Ali Alatas yesterday stressed that Indonesia wanted the issue of the disputed Sipadan and Ligitan Islands not to be discussed through legal avenues but to be endeavored either through the two countries' foreign ministers or their heads of state.

He said: "As a result of Indonesia's desire that the talks be continued at bilateral level, the senior officials then took a safer stand by not holding any in-depth discussion regarding the issue during their meeting on the first day held yesterday."

Illegal SRV Immigrants Blamed for Demonstration

BK0706153795 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 7 Jun 95

[Italicized passage in English]

[FBIS Translated Excerpt] Malaysia will certainly not entertain any demand by the illegal Vietnamese immigrants to be categorized as refugees.

Megat Junid Megat Ayob, deputy minister of home affairs, said that they came to Malaysia for the sake of economic interest.

[Begin recording, in progress] [Megat Junid] ... *illegal immigrants. Refugees are different.* The majority of those who staged the demonstration to protest repatriation were illegal immigrants who came to this country for economic reasons.

[Unidentified reporter] So there was no refugee that was charged for staging the demonstration?

[Megat Junid] No. There were no refugees charged for staging the demonstration. I think there were no refugees that staged a protest demonstration because they were already given the right to go to a third country. Only those that came here for *economic reasons* staged the demonstration, because they did not want to return to their homeland. [end recording]

Commenting on Monday's demonstration by the illegal Vietnamese immigrants at the Sungai Besi camp on Monday, Datuk Megat Junid said that they were responsible for staging the protest against repatriation. He added that only about 200 Vietnamese have refugee status, while the rest are trying to seek an opportunity to be categorized as political refugees. [passage omitted on police handling of Monday's demonstration]

Advantages of Trade Links With Iran Analyzed

*BK0706125795 Kuala Lumpur Voice of Malaysia
in English 0810 GMT 7 Jun 95*

[Station commentary]

[FBIS Transcribed Text] Another door is opening for Malaysia to facilitate trade links with more countries apart from its traditional trading partners. This is not surprising as Malaysia lies in the region where the economy is booming.

As such, more and more countries are looking toward Asia as a new area to be explored. Thus Malaysia, as one of the most economically dynamic countries in the region, has also received its fair share of attention toward this direction.

In order to increase the number of trade partners, Malaysia is keen to use Iran as a platform to expedite trade links with countries in Central Asia. Toward this end, both countries need to not only enhance further bilateral relations with each other, but also trade and economic links. The visit by the chief of staff of the president's office of Iran, (Sa'id Hoseyn Marashi), was a good opportunity for Malaysia and Iran to encourage such effort. This is because despite cordial relations between both countries, there has been some reluctance on both sides for joint economic and trade ventures due to nonfamiliarity with each other's economic and political systems.

It was only recently that Iranian private sector began to show greater interest in Malaysia since the signing of several memorandums of understanding between the two countries early last year. The memorandums of understanding, MOUs, are in the areas of town planning and construction, and housing. This effort was further boosted by the visit of Iranian President 'Ali Akbar Hashemi-Rafsanjani to Malaysia last October.

During the visit, both countries agreed to improve bilateral relations and would further enhance cooperation in the areas of economy and investment. Cooperation of both countries is all the more essential in view of the vast potential and the growing markets in the respective regions. Iran's huge market, its reconstruction projects, and diversification of the Iranian economy with emphasis on export of nonoil products, are factors that can expand future commercial and industrial relations between the two countries.

Apart from that, Malaysia and Iran share many similarities. As a member of the Organization of Islamic Conference, OIC, both believed in the solidarity of the ummah [followers] and its development through advancement in science and technology.

Malaysia and Iran have also adopted similar economic strategy, developed and diversified their economy through the attraction of foreign investment, and both countries are committed to South-South cooperation and the Nonaligned Movement, NAM. With such vast similarities, there should not be a problem for both Malaysia and Iran to work together toward enhancing economic ties for mutual benefit.

Malaysia will not be the only country benefiting from any form of cooperation as Iran will also gain a lot along the way. This is because the republic can gain access to a few other countries in the region in terms of new markets for its products.

Journalists Detained Under Secrets Act Released

*BK0706152995 Kuala Lumpur NEW STRAITS TIMES
in English 3 Jun 95 p 6*

[Report by Jacqueline Teo]

[FBIS Transcribed Text] Johor Baru, Fri. — Two *Harian Metro* journalists who were detained under the Official Secrets Act [OSA] 1972 were freed today after the police dropped charges against them.

Yusaini Ali, 24, and Saniboey Mohamed Ismail, 22, walked out of the Johor Criminal Investigation Department [CID] headquarters as free men after receiving a two-paragraph letter from Chief Inspector Leong Li Kheng.

The letter confirmed the charges had been dropped, but did not state any reason. Friends and relatives who had been waiting since 9 am immediately congratulated Yusaini and Saniboey.

Their counsel, Ho Tien Cheh, said although police had not given reasons for dropping the charges, it was obvious that they could not find a case against them.

"As far as we are concerned, the whole episode is over," he told newsmen at the State CID headquarters here.

Also present were Berita Harian Sdn Bhd [limited partnership] administration manager Abu Bakar Ismail, *Harian Metro* editor Zian Johari, *Berita Harian* regional correspondent Ishak Dalip and *Harian Metro* bureau chief Yaacob Abdul Rahim.

On March 30, Yusaini and Saniboey were arrested after they were alleged to have revealed classified police information in their report on the kidnapping of 14-year-old schoolboy Ang Choong Fong.

The front-page article appeared in the December 10 issue of the *Harian Metro* last year.

Yusaini and Saniboey were alleged to have committed an offence under section 8(2) of the OSA, which is

punishable upon conviction with imprisonment for a term of not less than one year and not exceeding seven years.

They were held on remand for four days before being released on a month's police bail of [Malaysian ringgit] RM5,000 on April 4, which was later extended on May 3 for another month.

Yusaini and Saniboey have since been transferred to the tabloid's head office in Kuala Lumpur.

A third person, *Harian Metro* stringer Ahmad Tarmizi Hassan, 30, was arrested on April 11 on suspicion of providing information to Yusaini and Saniboey on the kidnapping case.

Ahmad Tarmizi, who was also released on police bail, will have to report to the contingent headquarters on June 16.

Singapore

Cambodian Minister Urges Investment, Ends Visit

BK0806081595 Singapore THE STRAITS TIMES in English 7 Jun 95 p 12

[Report by Edward Tang]

[FBIS Transcribed Text] More Singaporeans should do business in Cambodia as its investment climate had improved since the introduction of new policies, Cambodian Minister of Foreign Affairs and International Cooperation Ing Huot said yesterday.

He told THE STRAITS TIMES in an interview yesterday that the new foreign-investment laws, introduced in August last year, had so far attracted nearly U.S.\$2.5 billion (S [Singapore] \$3.5 billion) of overseas funds.

A new investment code provides clear guidelines on incentives such as tax holidays, pioneer status for selected industries and the issue of land lease.

Mr. Huot, who arrived in Singapore on Monday on a three-day visit, said: "The Singapore business community in Cambodia has grown from nothing to about 100 companies over the last few years."

Singapore is the second largest foreign investor in the country with investments of U.S.\$170 million in property and hotel developments, production of beverages, paints and garments.

The Cambodian minister singled out tourism as a sector where Singapore businessmen can play an active role in.

Cambodia expects to receive 250,000 tourists this year, a 50-per-cent increase from 170,000 last year.

He said that Singapore businessmen could be involved in the refurbishing of key tourist infrastructure such as hotels and airports in Phnom Penh.

But he also called for investments in areas outside the capital city like Siem Reap and Sihanoukville.

Siem Reap is host city to the famous Angkor Wat temples while Sihanoukville is a port city.

Seeking to dispel investors' fears about Cambodia's stability arising from threats posed by the Khmer Rouge, he said:

"The Khmer Rouge is finished politically and diplomatically because it has refused to co-operate with a government that had been elected under the supervision of the United Nations."

He said government forces last month scored a military success by repelling fighters of the radical group and capturing territories in Treng, some 40 km from Battambang, the country's second largest city.

He was optimistic that Cambodia's security would be enhanced by its association with ASEAN and other regional forums. Phnom Penh is expected to accede to ASEAN's Treaty of Amity and Co-operation next month with a view to eventually becoming a full member of the group.

The Cambodian minister, who met Prime Minister Goh Chok Tong earlier in the day, said he was encouraged by the latter's support for Cambodia's efforts to liberalise its economy and develop its relations with the region.

Mr. Huot praised Singapore's decision to re-establish its embassy in Phnom Penh, which was announced on Monday, as a signal of the Republic's confidence in Cambodia.

He and his delegation of seven members leave today.

Economic Cooperation Accord Signed With Burma

BK0806111495 Singapore Radio Corporation of Singapore in English 1000 GMT 8 Jun 95

[FBIS Transcribed Text] Deputy Prime Minister Lee Hsien Loong and Myanmar [Burmese] Minister for National Planning and Economic Development David Abel have signed an agreement on economic cooperation. The signing ceremony was witnessed by Prime Minister Goh Chok Tong and visiting Myanmar Prime Minister Than Shwe.

The agreement aims to facilitate economic cooperation between Singapore and Myanmar [Burma] starting with tourism and agro-business. It also aims to promote trade by simplifying procedures and cooperation in shipping

and other maritime services. Both sides also agree to facilitate the exchange of advisers and technical experts and the training of Myanmar personnel in the relevant sectors. A joint Myanmar-Singapore committee will be set up to coordinate the projects and activities agreed upon.

Cambodia

Police Chief Warns Officers About Illegal Entry

*BK0706033895 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 7 Jun 95 p 5*

[FBIS Translated Text] Major General Mom Saman, chief of Kandal Province police, last week issued a serious warning to his major police officers that "those who still behave improperly by allowing Vietnamese to enter illegally will be stripped of their ranks."

This serious warning follows increasing cases of illegal entry by Vietnamese immigrants, who use money to close the eyes of officials along the border. In Kandal Province these entries have been observed at Chrey Thom, K'am Samnar, National Route 21, and at a number of clandestine points.

Along with this warning the police chief also ordered control posts adjoining the border with Vietnam to intensify efforts to check any Vietnamese entering illegally. Additional checkpoints at some major passes are being considered. All posts have to check entries by Vietnamese immigrants. Those immigrants with proper documents who have come to do business and then return will have no problem. However, if they do not possess papers, they will be investigated to find out which control post let them in. Once this has been found out, the checkpoint chief will be the first to be in trouble, followed by those who carried out the order.

Although, a mere warning is not necessarily a serious matter, any serious cases taking place after the issuance of this warning, with those concerned not correcting themselves, will result in those officials being stripped of their ranks and their cases prepared and forwarded to the court. Yet, even with such a solemn warning, it cannot be certain that the influx of Vietnamese can be prevented. Although it has been said that this is a good way to prevent the illegal entry of Vietnamese nationals, the influx certainly cannot be stopped. The stringent measure might even be used by officials to extract money.

It should be stressed that this season Vietnamese are flocking to the Tonle Sap lake and other lowland areas along the Mekong River and have plans to catch fries that will be arriving in the coming months. Optimists says that although this measure will not be fully

successful, to a large extent it can check the illegal entry of the Vietnamese.

The two-star general also gave this warning: Checkpoints should strictly carry out their job and should be courageous in exposing involved villainous officers. Otherwise, there will be no way of checking the Vietnamese. Officers who are still hungry for money from illegal Vietnamese should watch out or their ranks will be stripped; in serious cases, a more serious fate awaits them.

Ranariddh Letter Seeks Rangsi Replacement

*BK0606131495 (Internet) SEASIA Listserv in English
0000 GMT 6 Jun 95*

["Translation of Letter" from First Prime Minister Prince Norodom Ranariddh to National Assembly President Samdech Chea Sim; "sent sometime in early May"]

[FBIS Transcribed Text] Phnom Penh, May 1995

Respectfully submitted to Samdech Chea Sim President of the National Assembly of the Kingdom of Cambodia

Respected Samdech, I would like to inform Samdech Chairman of the National Assembly that His Excellency Sam Rangsi is no longer a member of the Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party after the Steering Committee of the Funcinpec Party asked him to leave on 13 May 1995.

In conformity with the 23 October 1991 Paris Agreement on Cambodia, in particular the appendix 3 concerning the elections, and the 12 August 1992 electoral law drafted by UNTAC, as well as the internal regulations and practices of the National Assembly of the Kingdom of Cambodia, I request that Samdech proclaim and appoint His Excellency Nu Sangkhan a member of the National Assembly on the same list for the constituency of the province of Siem Reap as a full right M.P. in replacement of His Excellency Sam Rangsi.

Please, Samdech, accept the assurances of my respect and deepest thanks.

(signed) Norodom Ranariddh President of the Funcinpec Party

Assembly To Debate Sam Rangsi's MP Status

*BK0706085395 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 4 Jun 95 pp 1, 2*

[Report by Srei Neat]

[FBIS Translated Text] According to informed sources in the National Assembly, the National Assembly will

debate [former Finance Minister] Sam Rangsi's MP status in the near future.

Ahmat Yahya, an official of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and chairman of the National Assembly's Public Works, Transport, Telecommunications, Posts, Industry, and Energy Commission, told REAKSMEI KAMPUCHEA on the morning of 2 June that the proposal to remove Sam Rangsi from the National Assembly will be discussed by the National Assembly's Standing Committee following the National Assembly's debate and adoption of the lawyer status law and the press law. He added that although the letter requesting the removal and replacement of Sam Rangsi had already been sent by the samdech krompreah, chairman of the FUNCINPEC party, to Samdech Chea Sim, chairman of the National Assembly, the matter has not yet been included on the agenda of the National Assembly's Standing Committee.

Normally, Ahmat Yahya said, a question can be included on the agenda of the assembly session only after it has been approved by the Standing Committee. He disclosed that the following two questions could surface at the Standing Committee's meeting on the Sam Rangsi case:

1. Whether the MP's should debate and approve the Sam Rangsi case.
2. Whether the MP's can abstain from debating the case since it is only a matter of replacing a representative.

Ahmat Yahya said he believed that these issues would be raised, but he did not know exactly what the outcome would be. Personally, he wanted the replacement of Sam Rangsi to be debated by the National Assembly, saying nobody should hinder the discussion of the case.

In a letter demanding the replacement of Sam Rangsi sent in May to National Assembly Chairman Samdech Chea Sim, FUNCINPEC Chairman Samdech Krompreah Norodom Ranariddh said: "His Excellency [H.E.] Sam Rangsi is no longer a member of the FUNCINPEC party after his membership was withdrawn by the party's Steering Committee on 13 May 1995. According to the Paris 23 October 1991 accord on Cambodia, especially the accord's Appendix 3 concerning the elections, the 12 August 1992 electoral law drafted by UNTAC [UN Transitional Authority in Cambodia], and the regulations and practices of the National Assembly of the Kingdom of Cambodia, I hereby request that the samdech chairman appoint H.E. Nu Sangkhan, an MP on the same list for the Siem Reap constituency, to replace H.E. Sam Rangsi."

In view of that proposal, the issue of replacing Sam Rangsi does not need to be presented to an assembly debate. The case is similar to the replacements of incompatible MP's previously.

Ahmat Yahya however argued that the Sam Rangsi case is different from those concerning the incompatible MP's because the latter resigned voluntarily, but Sam Rangsi has not done so. Nevertheless, Ahmat Yahya did not elaborate on the difference.

It is known that Sam Rangsi is currently seeking support in the international arena and from the Interparliamentary Union. At the same time, Prince Krompreah Norodom Ranariddh has not been seen to have changed his attitude lately toward the removal of Sam Rangsi.

Ahmat Yahya said that so far Prince Krompreah Norodom Ranariddh's stance on the replacement has not changed at all.

Commenting on the removal from Samdech Son Sann's party of Ieng Muli, Ahmat Yahya said that so far there has been no official removal, but, he added, a senior official of the Buddhist Liberal Democratic Party [BLDP] had told him that if one can expel Sam Rangsi, the BLDP can expel Ieng Muli likewise. Ahmat Yahya did not reveal the identity of the BLDP official.

Some analysts think that BLDP appears to link the removal of Ieng Muli with that of Sam Rangsi because some in the party have also been supporting Sam Rangsi's activities.

Rangsi Issues Press Communique on Expulsion

BK0706132395 (Internet) SEASIA Listserv in English 1240 GMT 7 Jun 95

["Press Communique" issued by former National Assembly member and former Finance Minister Sam Rangsi in Phnom Penh on 6 June]

[FBIS Transcribed Text] In order to proceed to my expulsion from the National Assembly without the risk associated with a public debate and a secret ballot, the two dominant parties—Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the Cambodian People's Party—have decided to ask all Members of Parliament affiliated to their two parties to sign a petition supporting my replacement by a nonelected candidate who featured on the list presented by Funcinpec at the May 1993 elections. The signatures will be collected outside the National Assembly, using all necessary forms of intimidation and pressure, on Wednesday, 7 June 1995 and my replacement will be officially proclaimed by the national Assembly the following day, Thursday 8 June 1995.

National and international public opinion can itself judge, through the illegal and anti-democratic means taken to expel me, the drift towards totalitarianism which Cambodia has witnessed since the end of the UNTAC [United Nations Transitional Authority in Cambodia] mission.

Phnom Penh, 6 June 1995

(Signed) Sam Rangsai

Indonesia

Garuda XIV Medical Team To Continue in Bosnia

BK0806070395 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 8 Jun 95

[FBIS Translated Text] The terrorist act by Serb militiamen of seizing a UN vehicle carrying members of the Indonesia medical battalion has not deterred the Garuda XIV contingent from carrying out its duties. The Garuda XIV contingent's medical team will definitely carry out all its responsibilities in accordance with the decision made by the UNProfor [United Nations Protection Forces] commander. This was stated by Brigadier General Suwarno Adiwijoyo, head of the ARBI [Indonesian Armed Forces] Information Department in connection with the seizure of a UN vehicle carrying some members of the Garuda XIV contingent.

He said Serb militiamen seized a UN vehicle on Monday with First Lieutenant, Navy, Hendrato and two other troopers on board when they were heading for (Kenin). Besides pointing their weapons at them and seizing the vehicle, the Serb militiamen also demanded a complete ABRI uniform.

The Garuda XIV contingent, which is on duty in the southern sector at the (Digrask) headquarters, was then allowed to continue its journey on foot until the members caught up with the other UN groups.

Fretelin Chief Urges UN Drop East Timor Issue

BK0806050995 Jakarta SUARA PEMBARUAN in Indonesian 5 Jun 95 p 1, 11

["Report from Austria"]

[FBIS Translated Excerpt] Burgenland, 5 June — Abilio de Araujo, the Fretelin [Front for an Independent East Timor] leader, who is currently residing abroad, stated that the UN should drop the East Timor issue from its agenda. The issue of East Timor should be dropped because according to international diplomacy, the debate on East Timor is being constantly postponed. It is important that the issue of East Timor should be completely dropped from the UN agenda. The East

Timorese themselves aim to be fully involved with the issue.

Araujo stated this during the AETD [All Inclusive Intra East Timor Dialogue] session in Burghslaining, Austria on Sunday [4 June] night. This is the report issued by PEMBARUAN correspondents Expedito Dias Ximenes and Sibol P. Manullang from Burgenland, Austria on Monday [5 June].

The Fretelin leader stressed that the issue of East Timor was constantly being postponed because [the UN] was always waiting for Indonesia and Portugal to settle the internal issue themselves in a peaceful and respectful manner.

He said: "In this case, dropping the East Timor issue altogether from the UN agenda is important and the East Timorese themselves will be fully engaged in solving the issue."

Meanwhile, Lopez da Cruz, who, along with other participants, was given an opportunity to present his opinion at the dialogue, issued his official statement saying that East Timorese should personally witness the current progress and developments evolving in East Timor. As such, honesty was regarded as important in the dialogue session and a blind eye cannot be turned to the progress prevailing in the province. [passage omitted on end of dialogue]

Communique Issued at End of East Timor Dialogue

BK0806051495 Jakarta SUARA KARYA in Indonesian 6 Jun 95 p 1, 11

[FBIS Translated Text] Jakarta (SUARA KARYA) — The meeting of East Timorese representatives (All Inclusive Intra East Timor Dialogue) [AETD] which was scheduled to end on Tuesday [6 June] was, however, closed at 2200 West Indonesia Time [1600 GMT] with an issuance of a joint communique. A proposal was made calling for another AETD to be held in Dili, East Timor.

A report covered by TVRI [Republic of Indonesia Television Network] from Burghslaining, Austria, last night stated that the dialogue, attended by a group of 30 East Timorese from Indonesia and abroad, ended on Tuesday. The group agreed that the dialogue should be conducted expeditiously and closed earlier by East Timor Bishop Carlos Felipe Ximenes Belo because the latter was scheduled to take a flight to Germany at 2400 West Indonesia Time.

It was reported that all the participants (16 from Indonesia and 14 from abroad) had comprehensively discussed 37 basic issues. Eight out of the 37 issues discussed were proposals from Bishop Belo himself.

According to an earlier agreement, all the various issues were to be listed under five major issues. However, during the course of the ongoing dialogue, the five major issues were changed to six. This was based on an earlier proposal made by Bishop Belo. The six major issues were human rights, the number of military personnel in East Timor, social development, economic development, socioculture, and personal rights. However, reporters were not informed of the six major issues proposed by Bishop Belo.

According to F.X. Lopez da Cruz, there was a pressing need to discuss the issue on human rights because all this while Portugal had not taken any interest in the fate and destiny of the East Timorese community. Meanwhile, Bishop Belo made no comments when asked by reporters on the earlier closing of the dialogue session.

The dialogue, which began on Friday, was closed earlier at 2200 West Indonesia Time with the issuance of a joint communique. Up to reporting time last night, the dialogue participants had not yet issued any joint communique.

It was also reported that the 30 East Timorese representatives also hoped that the 8 July tripartite meeting among Portugal, Indonesia, and the United Nations secretary general, which was scheduled to be held in Geneva, would agree to the proposal made by the AETD for the second meeting. The venue and date of the scheduled meeting will be submitted to the UN secretary general for consideration.

Meanwhile, an ANTARA correspondent, who quoted Dos Reis Amaral, a member of the National Human Rights Commission, reported that the East Timor participants from Indonesia had rejected a proposal made by their counterparts living abroad to establish a joint supervisory committee on human rights under UN supervision.

The reason for the rejection was that Indonesia had already established its National Human Rights Commission, which will also set up a branch in Dili, East Timor. Currently, there is the Commission on Peace and Justice headed by Bishop Belo himself.

Solidarity Group Reports on Arrest of Students

*BK0706132195 (Internet) INDONESIA Listserv
in English 0800 GMT 7 Jun 95*

[Statement released by the SPRIM, Maubere and Indonesian Peoples Solidarity Struggle, a coalition

of Indonesian and East Timorese supporting self-determination in East Timor, in Jakarta on 6 June]

[FBIS Transcribed Text] 30 East Timorese youths, comprising 22 unemployed workers and university students, were taken at 2.00 am in the morning in Tanah Abang, South Jakarta on Monday 4 June. The 22 workers had been brought to Jakarta 4 years ago by the Ministry for Labour and the Tiara Foundation, associated with members of the Suharto family. Three of the students were from colleges in Malang. Two were students based in Jakarta. They were taken on their way to the residence of one of the group. A truck carrying one platoon of police appeared and forcibly took them to Kramat Raya police station in Central Jakarta. Here they were interrogated, photographed and some had their fingerprints taken. The students refused to have fingerprints taken or to give their identities stating that there were no legal grounds to their detentions. The workers were arrested later in the morning but the students were kept beyond the statutory 24 hrs and not released until 2 in the afternoon the following day. A sharp debate took place between some of the students and the investigating police. When asked what were the students doing at the area where they arrested, the students countered that they should ask the head of the Tiara Foundation who brought the East Timorese to Jakarta with false promises of work and then abandoned them. The students were released unconditionally being warned not to emulate the actions of the 29 East Timorese who occupied the US Embassy last year. On June 6, SPRIM issued a statement to the media reporting on these events and demanding: 1. that arrests by the police and military be in accordance with legal procedures. (No warrants were ever produced during this incident.) 2. improve the welfare of the East Timorese workers who were brought to Jakarta by the Tiara Foundation and then abandoned four years ago 3. provide employment with fair wages sufficient for a decent living in Jakarta and enough to be able to assist their families in East Timor 4. provide appropriate training to East Timorese workers so that they will acquire new skills that can be of benefit to the development of East Timor when they return 5. Give the right to speak out to these workers so that they can express their desires and complaints in a democratic manner, so long as it does not contravene the Constitution or Pancasila; 6. End all harassment of the community of East Timorese casual workers resident at Tanah Abang, harassment which, according to members of the community have been regularly harassed by the authorities because they have not been paying protection money. 7. To end intimidation of all East Timorese resident anywhere in Indonesia, especially those in Jakarta and to give them the freedom to state their views and desires as regards the issue of East Timor. This is the view of SPRIM. The

rights of the East Timorese as a free and independent people must be honoured, just as the Indonesian people value their freedom having once tasted the bitterness of living as a colonised people. Long live democracy,

SPRIM, Jakarta, June 6, 1995.

Laos

Souban Salitthilat Meets U.S. Official Gelbard

BK0706104995 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 6 Jun 95

[FBIS Translated Text] This morning Souban Salitthilat, deputy minister of foreign affairs and chairman of the Lao National Commission for Narcotics Control and Suppression, met at the Foreign Affairs Ministry in Vientiane with Robert Gelbard, U.S. assistant secretary of state for international narcotics and legal affairs.

Gelbard and his delegation are currently on a three-day working visit. Souban informed the guest of the outcome of the six nations' meeting in Beijing. He noted the firm intentions of the governments of those nations to cooperate in working to reduce narcotics-related problems. The Lao and U.S. sides also discussed cooperation in other fields, including the construction of a road linking Meuang Son and the Vietnamese border. The U.S. side has agreed to render aid to Laos in suppressing narcotics, particularly the suppression of illicit trading, and in carrying out integrated, rural development projects such as the irrigation construction project, the cultivation project, and the road construction project in Houa Meuang District, Houa Phan Province. The Lao side has pleasantly agreed to accept the assistance.

On the same morning, prior to their departure for home, Gelbard and his delegation also called on Siangsom Kounlavong, deputy interior minister, and visited the office of the drug suppression police.

Burmese Military Delegation Arrives for Visit

BK0706143895 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 6 Jun 95

[FBIS Translated Text] To strengthen the friendship and mutual understanding between the two armies of Laos and Myanmar [Burma], at noon yesterday a high-level military delegation of the Union of Myanmar led by Major General Kyaw Than arrived for an official visit to our country. The Myanmar military delegation was welcomed at an official ceremony held at the National Defense Ministry. Brigadier General Douangchai Phichit, deputy chief of the Army General Staff Department, along with many high-ranking officers from the National Defense Ministry, welcomed the Myanmar delegation at

the ceremony. At the ceremony, the high-level Myanmar military delegation reviewed the guards of honor of the Lao People's Army [LPA] and shook hands with the LPA officers in a friendly atmosphere.

After the official welcoming ceremony, the high-level Myanmar military delegation, accompanied by Brig. Gen. Douangchai Phichit, laid a wreath at the monument of unknown combatants.

On the afternoon of the same day, at the Latsavong Hotel, the high-level Lao and Myanmar military delegations held an official meeting. The Lao side was headed by Brig. Gen. Douangchai Phichit as the Myanmar side was headed by Maj. Gen. Kyaw Than. At the meeting, the two sides discussed many issues concerning bilateral relations and means to promote the good relations between the two armies in the new stage. They also exchanged views on other issues of common interest. The meeting proceeded in an atmosphere of good mutual understanding.

This is the first visit ever paid to our Lao People's Democratic Republic [LPDR] by a high-level military delegation of the Union of Myanmar. It is aimed at promoting and expanding the fruits of the recent visits exchanged between the top-level leaders of our LPDR and the Union of Myanmar. The high-level Myanmar military delegation is scheduled to stay in our country for one week for the working visit.

Meets With Defense Minister

BK0806111395 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 7 Jun 95

[FBIS Translated Text] Yesterday, National Defense Minister Lieutenant General Choummali Sai-gnason received at the National Defense Ministry in Vientiane a courtesy call from a high-level military delegation of the Union of Myanmar [Burma] led by Major General Kyaw Than. The Myanmar military delegation is currently on a friendship visit to our Lao country. The meeting and talk between the guest and the host proceeded in a warm atmosphere of mutual understanding. National Defense Minister Lt. Gen. Choummali Sai-gnason expressed a welcome to the visit of the high-level Myanmar military delegation. He said the visit will significantly contribute to increasingly strengthening, promoting, and expanding the relations of traditional friendship between the two nations in general and between the two armies of Laos and Myanmar in particular. He also wished Maj. Gen. Kyaw Than and his delegation success in this visit to Laos.

Maj. Gen. Kyaw Than, head of the high-level Myanmar military delegation, informed the national defense minister of the outcome of his delegation's meeting with a

high-level military delegation of Laos. He said following the meeting, the two sides have unanimously agreed to promote and expand, ever more fruitfully, the existing good relations of friendship between the two armies. In conclusion, Maj. Gen. Kyaw Than expressed thanks to the national defense minister for the warm welcome accorded him and his delegation.

Bid Made for Mekong Commission Secretariat Site
OW0206120095 Tokyo KYODO in English
1123 GMT 2 Jun 95

[FBIS Transcribed Text] Tokyo, June 2 KYODO — Laos invited the Mekong River Commission to set up its Secretariat in Vientiane, Laotian Prime Minister Khamtai Siphandon said Thursday [1 June].

During a press conference at a Tokyo hotel, Khamtai called for establishing the secretariat in the Laotian capital, saying Laos wants to contribute as much as possible to the commission.

Laos, Thailand, Cambodia and Vietnam signed an agreement in April to replace the Mekong Committee, originally set up in 1957 to discuss comprehensive development of the Mekong River, with the Mekong River Commission.

The committee's activities were virtually suspended in 1992 due mainly to disputes between Thailand and Vietnam.

The new commission has more limited powers than the original committee.

A Japanese official said since the three other member countries have also called for setting up the Secretariat in their countries, the commission is currently discussing the possible site informally.

A formal decision is expected to be made at a commission meeting in July, the official said.

Also at the press conference, Laotian Foreign Minister Somsavat Lengsavat said the timing for Laos to join the Association of Southeast Asian Nations (ASEAN) as a full member is expected to be discussed during the ASEAN meeting in July.

He said Laos is readying itself to become a member but still lags behind other ASEAN members economically and lacks government officials who can speak English.

Laos has been participating in ASEAN as an observer since 1992.

Severe War Damage Noted in Attapeu District *95P30104A*

[FBIS Editorial Report] The 14 April PASASON in Lao published an article by P. Thavisouk on page 2 on developments in Sansai District, Attapeu Province under the headline "Heroic Sansai, a Beautiful District." After giving some demographic information, the author noted that the district suffered from "the terrible war of destruction waged by the old-style [France] and neo-colonialists [United States]. Even today there are bomb craters and much debris still around." The author stated that "thanks to the Party's leadership, the wounds of war have gradually been healed" and schools, hospitals, and roads have been built.

Philippines

Official: No Meddling in Malaysia-PRC Dispute
BK0806075895 Manila BUSINESS WORLD
in English 6 Jun 95 p 12

[FBIS Transcribed Text] Despite agreements and calls for multilateral processes to resolve the Spratlys dispute, the Philippines has taken a hands-off stand on the Malaysia-China row over Layang-Layang Island as it is not part of the area being claimed by the country, Foreign Affairs Secretary Domingo L. Siazon, Jr. said.

"I think Layang-Layang is not within our claim, kung wala akong claim, wala akong paki run, bayan niya yun, (If I don't have a claim, I will not meddle, it's their country)" he said.

Malaysia has converted Layang-Layang Island into a tourist resort area and a landing strip has been built on its grounds fueling a rift against China.

China is claiming the entire Spratly Islands while parts of it are being claimed by the Philippines, Malaysia, Brunei, and Vietnam.

President Orders Release of Chinese Fishermen
BK0806011095 Quezon City GMA-7 Radio-Television
Arts Network in Tagalog 2230 GMT 7 Jun 95

[FBIS Translated Text] The government is set to release eight Chinese fishermen captured by the Philippine Coast Guard in the Spratlys several months ago. According to reports, the eight Chinese are underage. The scheduled release is seen as a gesture of goodwill by the president — several days from now will be the 20th anniversary of the normalization of diplomatic ties between China and the Philippines.

Meanwhile, the DFA [Department of Foreign Affairs] has confirmed that no Filipino was aboard the bombed

Sea Dancer [Red Cross ship] in Sri Lanka. The reported 12 Philippine crew members were confirmed to be Indonesians.

President Ramos Rejects Mediation Proposal

BK0806070895 Manila PHILIPPINE DAILY
INQUIRER in English 6 Jun 95 p 4

[FBIS Transcribed Text] President Ramos has rejected a proposal to ask former U.S. President Jimmy Carter to mediate between the government and insurgent groups.

The proposal, made during a Cabinet meeting, came several days before the arrival of Carter on June 15.

Carter is supposed to attend a three-day conference on Population, Environment, and Peace on June 15-17 in Manila.

According to documents obtained by reporters, the proposal was aired during the regular Cabinet meeting held May 30. It was immediately turned down by the president who expressed satisfaction with the current government efforts at negotiating peace with the Moro National Liberation Front.

"The Office of the Presidential Adviser on the Peace Process (OPAPP) is already doing well in handling the matter," the document, quoting Mr. Ramos, revealed.

The former U.S. president had convinced North Korean officials to allow the inspection of its nuclear facilities, which some Western nations believed was being used for military purposes.

He also succeeded in convincing former Haitian military rulers to relinquish power and give way to duly elected President Jean Bertrand Aristide.

In both instances, he functioned as emissary of the U.S. President.

Treasury Bureau Reports on Public Debt

BK0706131795 Manila BUSINESS WORLD
in English 5 Jun 95 p 20

[Report by Roselyn Q. Regalado]

[FBIS Transcribed Text] Outstanding obligations of the National Government (NG) amounted to P[Philippine pesos]1.29 trillion as of 31 March, latest statistics released by the Bureau of Treasury (BTr) indicate.

Domestic debt continued to corner the bulk settling at P669.26 billion or 51.71% of the country's outstanding public debt. Foreign loans totalled P625.10 billion or equivalent to \$24.05 billion.

The latest level of public debt represent a substantial hike from P1.25 trillion as of end-February. However,

it is lower than the P131 trillion balance in March last year.

The figures for outstanding public debt are arrived at by converting the amounts of availments in original currencies into US dollar based on a certain reference rate. For the month in review, the Bangko Sentral ng Pilipinas (BSP) [Central Bank of the Philippines] guiding rate last 31 March was quoted at P25.987 per US dollar.

A source from the BTr explained the appreciation of the Japanese currency against the dollar resulted in an increase in the country's yen-denominated loans. Last February, the dollar-yen exchange rate was posted at \$0.010303 per yen. By March, the guiding rate soared to \$0.011163 per yen.

This accounted for the hike in the country's yen-denominated loans from Y10 billion in February to Y11 billion in March.

The BTr source added that total availments of the government during the period in review was registered at \$189 million. The bulk were multilateral loans granted by big financial institutions such as Asian Development Bank, International Bank for Reconstruction and Development, International Fund for Agricultural Development, and International Development Association (IDA).

On the other hand, repayments during the month totalled \$183 million.

Public debt are financial liabilities incurred by the national government, local governments, government-owned or controlled corporations (GOCCs) and government monetary institutions.

For the month in review, regular accounts continued to corner the bulk of aggregate public debt. These amounted to P1.13 trillion.

Direct loans of the NG dominated this account reaching P983.47 billion or equivalent to 86.86% of regular loans. These loans consist of liabilities incurred by various government agencies, those relent to GOCCs, and government securities issued by the NG such as treasury bills and treasury notes.

NG-assumed loans or those incurred by government corporations and transferred to the NG totalled P70 billion. Government corporations included in this account are the Philippine National Bank, Development Bank of the Philippines, Philippine Airlines and National Power Corporation.

NG guaranteed loans amounted to P126.69 billion. NG contingent loans stood at P35.33 billion or translated to \$1.35 billion.

Thailand**Talks Scheduled on 'Overlapping Waters' Problem**

*BK0806103295 Bangkok Radio Thailand Network
in English 0000 GMT 8 Jun 95*

[FBIS Transcribed Text] Official talks between Thailand and Vietnam will be held soon to clear up problems and misunderstanding caused by incidents in the overlapping waters. Commander in Chief of the Royal Thai Navy Admiral Prachet Siridet said a meeting between the two countries is needed to settle the claims. He cited a similar issue between Thailand and Malaysia which took as long as 10 years to reach final satisfactory agreements.

He pointed out that the Thai warship HMS Khlong Yai had to resort to fire power as Vietnam failed to abide by a bilateral agreement on the use of the overlapping waters area. Moreover, Vietnam opened fire against the Thai patrol ship and Thai fishing boats without provocation. Admiral Prachet stressed that the Thai Government and the Royal Thai Navy have the right to protect Thailand's interests.

Burma Orders Halt to Construction

*BK0806091995 Bangkok THAILAND TIMES
in English 8 Jun 95 p 1*

[FBIS Transcribed Excerpt] Tak: Burmese authorities yesterday ordered a halt to construction of the Thai-Myanmar [Burma] Friendship Bridge across Moei River and the immediate removal of Thai Highways Department's construction equipment from the Myanmar side of the border back into Thailand, provincial authorities said yesterday.

According to the provincial sources, Myanmar Construction Minister Khin Maung Yin, after receiving a report from its local officials that Thai construction team had intruded and filled the Moei River bank on the Myanmar side in order to construct commercial buildings, gave the order [to] stop the bridge's construction.

Deputy Interior Minister Udon Tantisunthon, who is also a former Tak MP, yesterday traveled to the construction site and tried in vain to contact Myanmar authorities.

The 420-meter-long, eight meter-wide, two-lane concrete bridge spanning the Thai town of Mae Sot and Myanmar border town of Myawaddy, has been 70 percent completed. The construction was expected to be completed next April.

Thailand has provided the funds — 80 million baht — for the bridge construction, while Myanmar has supplied unskilled labor and most of the materials. [passage omitted]

Asian Nations Urged To Accept 'Apology'

*BK0806075695 Bangkok BANGKOK POST
in English 8 Jun 95 p 4*

[Editorial: "Apology Accepted; Now Forward to the Future"]

[FBIS Transcribed Text] Just in time to mark the 50th anniversary of the end of Asia's worst war, Japan has apologized. Prime Minister Tomiichi Murayama used all his political levers, favors and pressure to get the apology. The socialist leader of a coalition overcame heavy opposition to expressing regret from the right wing of his government. Many members of the Diet from the Liberal Democratic Party (LDP) held out to the end. Mr Murayama had made the apology a matter of principle for his government. The LDP rightists insisted Japan owed no explanation and should accept no penance for Tokyo's actions during World War II.

Those who resisted Mr Murayama's principled call for a forthright apology for Japanese colonialism and violence are wrong. LDP parliamentarians claimed an expression of guilt would dishonor the dead of World War II. But the memories of these men were already dishonored by the actions of their own government throughout Asia in the 1930's and early 1940's.

The right-wingers also argued that Japan actually deserved credit for chasing western colonialism from Asia. The minds of most Asians boggle at this claim. Japanese invasions of Asian countries from Manchuria to Burma and beyond were oppressive, vicious and brutal. From the rape of Nanking in China to the atrocity of the death railway in Kanchanaburi, there was little principle in Japan's wartime actions. Western nations who colonized Asia have their own black history to try to make right. Those Japanese who claim imperial Tokyo was on the side of the angels in combating colonialism are acting as apologists, when they should be apologizing.

Mr Murayama's insistence that his nation apologize for launching the violence of World War II is highly principled. The Japanese prime minister even threatened to resign if the Diet refused to issue regrets. In the end, the Diet gave him pretty much what he wanted, after lengthy debate. Japan will express remorse for 'acts of aggression' in Asia, and for establishing "colonial rule" in many.

There is no denying that the scars and wounds of Japanese violence during the war still fester. There are particularly deep and bitter feelings in the nations worst affected by Tokyo's brutality. In China, Korea, the Philippines and elsewhere, even the young generations actively abhor Japan's war atrocities. No Tokyo government—not even that of the ethical Mr

Murayama—can put the suspicions of Japan to rest without a heartfelt apology.

Many of today's leaders in Asia have only vague recollections of World War II. But they are vitally aware of Japan's attempts to brutalize Asia into a so-called "Asian Co-Prosperity Sphere." The wide and bitter debate within Japan over whether to apologize for the war leaves much of Asia deeply suspicious of Japan's present-day policies. Indeed, some see Japan still trying to assume economic dominance of Asia by other means. Tokyo's refusal to face its dark history forthrightly, honestly and openly has led to doubts that the imperial colonialism of wartime Japan has truly been rejected.

Asia should accept Mr Murayama's hard-won national apology gracefully. It should then move to the far more important issues of the present and future. It is time to put World War II behind us— although it never will be time to forget the lessons of that terrible war. Japan now should be judged on its current actions and plans for the future.

To its credit, Japan has moved out of its near-isolationist posture in foreign affairs in recent years. It has addressed the problem of weapons proliferation by using aid leverage against both India and Pakistan. It has involved China for the first time in South Asian security talks, taken a righteous stand on North Korean nuclear problems. Its attention to the attempts to establish peace in Cambodia were cautious, but laudable Tokyo also has helped finance the program by the United States and countries of the former Soviet Union to disarm and to destroy nuclear weapons.

Mr Murayama's hard-won nation apology is an important step both for his own country and its neighbor. Polls in Japan show a large majority of Japanese citizens agree with the apology. This is good news. The formal apology and polls should go a long way towards atoning for atrocities of the Asian war. The apology, Tokyo must remember, is not the end of an era, but the beginning of one. Japan must show it means the apology by working hard to be a leading and responsible member of the Asian and world communities.

Commanders Assure Neutrality in Elections

BK0806081795 Bangkok THAILAND TIMES
in English 8 Jun 95 p 3

[FBIS Transcribed Text] Bangkok — Senior military commanders yesterday said the military will stay neutral during the elections and encourage members of the armed forces to use their voting rights.

"The Army is neutral and will treat all political parties equally," said Army chief Wimon Wongwanit. Gen Wimon also said the Army is dedicated to maintaining democracy. The Army commander-in- chief, however, declined to comment when asked about a lump sum of money that had been reportedly circulated to purchase potential candidates. Wimon replied that he will encourage a large turn-out to ensure fair elections.

"Personally, I favor the party to scrutinize candidates, and the people to vote for parties," said Gen Wimon. But it is impossible for the people to elect parties if party candidates are not scrutinized first, he said.

Navy chief Prachet Siridet said the Navy will also strictly adhere to neutrality in the fierce contest among political parties during the election. Concerning the campaign policies of the parties, Prachet said each party has its own good policies, but the public should consider which ones are the most beneficial to the country. First Army Region commander Bandit Malai-arisun said the Army will launch public awareness campaigns urging the public, especially 18-year-old youths, to cast ballots. "I am confident that no soldiers from any Army divisions will pose as canvassers to any candidates since they are well supervised and controlled," said Lt-Gen Bandit. Bandit said all soldiers respect their right to vote in the election.

BOT Targets Brokers' Initial Margin

BK0806081695 Bangkok THE NATION in English
8 Jun 95 p B1

[Report by Watchara Charunsantikun]

[FBIS Transcribed Text] The recent heavy influx of foreign capital into the Stock Exchange of Thailand has forced Bank of Thailand [BoT] Governor Wicit Suphinit into waging a fierce war against inflation by suggesting the initial margin that brokers provide to their clients be reinstated at the original 50 per cent level to dampen stock market speculation.

Yesterday, after consulting with key representatives of the Association of Securities Companies in an informal session, Wicit held talks with Finance Minister Tharin Nimmanhemmin and Securities and Exchange Commission (SEC) Secretary General Ekkamon Khirawat, to determine how Thailand will weather the looming economic storm.

Wicit has indicated that the Stock Exchange of Thailand should raise its initial margin from 40 per cent to 50 per cent to curb excessive speculation in the stock market. Speculation is one of the main factors contributing to inflation. An initial margin of 50 per cent means that an investor can borrow Bt50 from a broker to buy

stocks on margin at Bt100, if the investor pledges an equal Bt50 in promissory notes to the broker.

Initial margins are part of a monetary policy which Wichit will have to fine-tune to simultaneously avoid dealing a blow to the stock market and prevent liquidity from flooding the system with its undesirable inflationary effects.

The Commerce Ministry has already announced that the Consumer Price Index in April increased on a year-on-year basis to 5.4 per cent, a worrying sign that the pace of inflation might not be kept under the original five per cent target of the Bank of Thailand.

Between June 1 and June 7, U.S. \$600 million in net capital flooded the Thai stock exchange, a pattern that has clearly emerged since April when Thailand's stock market began to shake off the effects of the first quarter Mexican financial crisis. In May alone, net capital inflow reached a staggering \$1.4 billion.

Wichit resorted to moral persuasion by calling for brokers to refrain from extending excessive credit to clients that are jumping on the market bandwagon. However, any decision on altering initial margins will not be made until banking and exchange authorities have a clear picture of the long term health and stability of the stock market.

Most analysts agree that an adjustment of the initial margin is not likely to have any direct impact on inflation, other than creating a temporary psychological jolt.

"The most important factor affecting the stock market is the influx of foreign funds, which flow into non-resident baht accounts, into debt instruments to get better yields and into the stock market," one source said. "But no one is sure yet about the maturity (how long they will remain invested in the market) of these foreign funds."

Foreign capital, particularly U.S. money, is likely to flood emerging markets such as Thailand, if the U.S. Federal Reserve Board decides to raise its short-term interest rates to jump-start the U.S. economy. Lower U.S. rates will encourage U.S. money market managers to shift funds overseas for better yields.

Wichit said yesterday after a meeting at the Finance Ministry that an evaluation of inflation prospects would be made based on the six month performance of the economy.

He noted, however, that stable oil prices and the moderate minimum wage increase will help keep inflation in check.

Ekkamon declined to speculate on the possibility that the initial margin would be increased.

State Firms' Appraisal Criteria Changed

BK0806090095 Bangkok THE NATION in English
8 Jun 95 p A5

[Report by Surachai Chuphak]

[FBIS Transcribed Text] The State Enterprise Improvement Committee has approved a new set of criteria to evaluate 63 state enterprises in a bid to speed up the long-delayed privatization plan.

Instead of categorizing them into Grade A, B or C agencies, the state enterprises will be segmented into four categories, said Finance Minister Tharin Nimmanhemmin after the committee agreed to the new criteria proposed by his Ministry.

This is the first major achievement by the committee, chaired by Prime Minister Chuan Likphai, since its establishment in 1993 after Chuan became premier. It could also be considered as the last attempt by the Chuan government to speed up the privatizing of state enterprises regardless of their performance.

"So far, privatization has been slow due to the companies' different responsibilities and characteristics," Tharin said.

The first category comprises of state enterprises which have been privatized and operated as a private company, such as the Petroleum Authority of Thailand. Their performance will be determined by the criteria evaluating private organizations within the same industry.

The second category involves state utilities which essentially need to be under state control, such as the Electricity Generating Authority of Thailand, Metropolitan Electricity Authority, Provincial Waterworks Authority, and Metropolitan Waterworks Authority. They will be rated either Grade A or B, and there will be additional criteria involved in accordance with their responsibilities.

The third segment includes state enterprises which were established to generate income for public services, such as the Bangkok Mass Transit Authority, State Railway of Thailand, and Bank of Thailand. They will be under the Finance Ministry's control.

The last group are those created to provide free public services, such as the Tourism Authority of Thailand.

After the classification, the state enterprises will be categorized into five levels. Grade-A state enterprises will receive the highest flexibility in the areas of administration, investment and financial management, for example. Currently, state enterprises are subject to five-grade classification rules, no matter how different their responsibilities.

As the committee will be dissolved with the Chuan administration, after the first and last meeting of 1995, an assessment committee will assume its responsibilities with members representing the Finance Ministry, Budget Bureau, General Auditors' Office and National Economic and Social Development Board.

"The new committee will outline new criteria which will be appropriate to evaluate the agencies, to see if they can achieve their future plans," Tharin said.

At the start of last year, the State Enterprise Improvement Committee approved the World Bank's proposal to privatize local state enterprises.

Minister on Government Banking License Authority
BK0806095995 Bangkok BANGKOK POST
in English 8 Jun 95 p 28

[FBIS Transcribed Text] The caretaker Government has full authority to approve conditions and qualifications required of applicants for new banking licenses, Finance Minister Tharin Nimmanhemmin said yesterday.

He said the approvals were a normal process under the Financial Master Plan endorsed by the Cabinet several months ago.

The plan (1995-2000) states that five new commercial banks are to be set up and the Government will have to announce conditions and qualifications required of the applicants by the end of June this year. Applications are to be submitted from July to October and the Government will approve the licenses between February and April next year.

"It should be clear that although this government will approve the conditions and qualifications of the applicants, the applications will be submitted to the new government after the general election and the approval of the licenses will also be handled by the new government, not this government," Mr Tharin said.

Mr Tharin's comments were in response to a mass circulation Thai-language daily's claim that the Government had ill intentions in trying to approve conditions and qualifications of license applicants.

Mr Tharin said he had not yet asked the Cabinet to approve the package because some details were still being considered. The delay was not caused by political pressure.

He summoned top officials, including Bank of Thailand Governor Wichit Suphinit, Securities and Exchange Commission secretary-general Ekkamon Khirawat, Fiscal Policy Office director-general Somchai Ruchuphan, and Finance Permanent Secretary Aran Thammano for discussions yesterday.

The opening of the new commercial banks will boost competition and help modernize rural areas because headquarters of the new banks will have to be established in the provinces, according to Mr Tharin.

Vietnam

Commentary Criticizes U.S. Human Rights Rally
BK0806050695 Hanoi NHAN DAN in Vietnamese
15 May 95 p 4

[Commentary: "Discordant Voices"]

[FBIS Translated Text] A number of people gathered in Washington on 11 May to commemorate the so called "Day of Human Rights for Vietnam." Regarding themselves as people "concerned" about human rights in Vietnam, they brazenly distorted the actual situation in Vietnam, and they demanded that our government "respect human rights."

The organization of such a rally in the U.S. capital to assess the human rights situation in Vietnam was totally irrational. This is because in history, the United States provoked wars against and violated human rights of many countries. These included the Vietnam war, which was recently admitted by the former head of the Pentagon to be a serious mistake committed by himself and the Washington administration. On the other hand, there are still many human rights problems in the United States itself.

So far, the United States has not yet participated in or fully honored various international conventions on human rights. While hundreds of countries have signed and ratified the majority of 24 international conventions on human rights, the United States has signed and ratified only seven of them. The United States has also signed but not yet ratified another four conventions. The United States has not yet signed a convention on the rights of the child — a document that has been signed and ratified by as many as 163 countries. In addition, the United States has not yet participated in the convention on the need to oppose discrimination against women. The United States is one of a handful of countries that do not have a system of paid maternity leave.

In the United States, there is still discrimination among the whites, the blacks, and indigenous people. According to a special report on racial discrimination, xenophobia, and intolerance from the UN Human Rights Committee, in 1991 some 10 million blacks in the entire United States were obliged to live in isolation just as they did in the 1960's. Of the 6 million homeless Americans, blacks account for at least 48 percent, while they make up only 10 percent of the population. While the

official unemployment rate in the United States stands at 5.6 percent, the jobless rate among black youths is 40 percent, among Hispanics 17 percent, and among indigenous people (the Indians) 46 percent. The U.S. National Institute for Drug Abuse Studies revealed that in the United States, 80 percent of drug users are whites but they constitute only 7 percent of those arrested for "use of drugs" while blacks account for as many as 28 percent.

According to the Human Rights Monitoring Organization, the United States is one of six countries in the world to have maintained death penalty for teenagers under 18 years of age. The United States has also allowed the imposition of death sentences on children under 13 years of age if they are found committing serious crimes. This organization also revealed that detention conditions inside U.S. prisons are very poor. For instance: With a designed capacity of only 300 occupants, the Nashville detention center, which was built in 1982, housed 800 inmates in 1990 and up to 1,100 inmates lately. In addition, the security of inmates at various U.S. prisons is being seriously violated.

Worthy of note is that the arrest and detention of political prisoners continues to take place in the United States. These people are generally detained at Marion or Florence prisons (in Illinois), the sites reserved for inmates guilty of serious crimes. According special lecturer Gleber Ahanhando of the UN Human Rights Committee, these people have been detained for their political convictions. Many of them have been sentenced to unusually long prison terms, as long as 100 years in certain cases, compared to a few years for ordinary crimes. Mutulu Saku of the Movement for the Liberation of the Blacks and Oscar Lopez of the Puerto Rican Independence Movement are examples.

It is clear that the United States, which always regards itself as the world's human rights champion, must look at its own human rights problem first.

In view of the human rights issue, we have again affirmed that the observation of human rights is first and foremost and essentially the responsibility and power of each country, and each nation. It cannot be done and judged by anyone else from the outside. Vietnam does not accept the use of the human rights issue to impose pressure on and intervene in its internal affairs.

While U.S. press, congressmen, and other politicians highly appreciate the achievements of Vietnam in its renovation process, the organization of "Day of Human Rights for Vietnam" is an act running counter to progress in the process of normalization of Vietnam-U.S. relations. All the voices raised at the above rally appeared to be discordant and ill-informed.

Assembly Standing Committee Issues Communique

*BK0806014595 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 6 Jun 95*

[National Assembly Standing Committee issues communique; date not given]

[FBIS Translated Text] The National Assembly Standing Committee met from 23-31 May under the direction of National Assembly Chairman Nong Duc Manh and in the presence of Vice President Nguyen Thi Binh. The committee focused on the following issues:

1. Legislative work:

a. The committee adopted the regulations on diplomatic ranks to improve the efficiency of the diplomatic activities of our state, regularize diplomatic activities step by step, and standardize the contingent of Vietnam's diplomatic corps according to international laws and practices. The committee also adopted the regulations on HIV and AIDS prevention and control to protect public health and safeguard the Vietnamese race. The committee gave its views on the draft law on Vietnam's customs and the draft law on regulations governing the settlement of labor problems and strikes. The committee instructed the drafting section to coordinate with relevant agencies in perfecting the aforementioned documents so they can be adopted and promulgated at an early date and contribute to supporting the national renovation process.

b. The committee reviewed the implementation of the regulations on legislative work issued on 6 August 1988 by the State Council, eighth term. The purpose of the review was to prepare a report for use by the National Assembly to draft and promulgate a new document on ways of making legislative work consistent with current real life situations.

2. Supervisory work: The committee discussed a report compiled by its supervisory teams regarding the enforcement of the law on land by Ho Chi Minh City and a number of provinces and a recapitulative report on the results of supervisory work of the National Assembly Standing Committee, Nationalities Council, and other National Assembly committees since the National Assembly's seventh session in April 1995. The committee focused on the following issues:

a. Implementation of the law on land: Land is a sensitive and complicated issue because it involves citizens' rights and interests. So far, all echelons and sectors have urgently organized the enforcement of legal documents relating to this issue and achieved a number of initial results. Nonetheless, the actual situation calls for prompt efforts to restore order and discipline in

land management and use. The committee decided to continue reviewing the enforcement of the law on land at its next session based on the reports to be submitted by the government and the committee's supervisory groups in a number of provinces.

b. Socioeconomic development: The committee discussed and analyzed the need for an increase in budget revenue collection to meet the requirements set by the National Assembly's resolution on budget collection target to ensure a balance between collection and spending, additional funds to cover expenditures, and allotment of capital for investment and development. The committee stressed the need for profound concern regarding the stabilization of prices and for measures to curb the unexpected increase in the prices of a number of staples; to stabilize production and the living conditions of compatriots in areas inhabited by ethnic minority groups, mountain regions, highlands, and remote or deep areas; and to resolve pressing social problems.

The committee reviewed the enforcement of the Labor Code and gave its views on amendments to Decree 46-CP issued by the government on 23 June 1993 concerning allowances for cadres in charge of party and administrative organs and operating costs of mass organizations at village, ward, and town levels.

After reviewing the aforementioned issues, the committee stressed its role and responsibilities and urged National Assembly groups and deputies to better perform their supervisory and control work and coordinate with all sectors, echelons, and people of all walks of life in implementing the National Assembly's resolutions and in applying legal documents to real life situations.

The committee suggested that the government work out practical measures for enforcement and define the responsibilities of relevant sectors and echelons toward the enforcement of the law on land and the Labor Code, as well as toward the handling of suggestions made by the National Assembly Standing Committee and other National Assembly committees. The committee also raised a number of practical problems and suggested that the government take them into account while making amendments to Decree 46-CP to further consolidate the contingent of village, ward, and town cadres to contribute to enhancing the effectiveness of grassroots administrative organs.

3. Some problems concerning court work: On the recommendations of the Supreme People's Court and based on the views of the National Assembly's Legislative Committee, the committee debated and unanimously adopted the resolution on the settlement of a number of unsolved problems concerning economic contract disputes raised by the Board of Economic Arbitration. The

committee gave its views on the selection and appointment of judges to the Supreme People's Court, the Central Military Court, local people's courts, military region court martials and tribunals at the corresponding level, and local military courts.

4. Organization of major activities of the National Assembly Standing Committee in the days ahead: Based on the views contributed by National Assembly deputies on ways of organizing the implementation of the resolution of the National Assembly's seventh session, the committee discussed and set the agenda and date of the Ninth National Assembly's Eighth Session. The committee also discussed the preparations for the session, decided to adjust its agenda for the period from now till the end of 1995, and discussed measures to implement the action program already in force.

Article Previews Effect of ASEAN Membership

BK0806104695 Hanoi VIETNAM INVESTMENT REVIEW in English 22-28 May 95 p 9

[Article by Phuong Lan]

[FBIS Transcribed Text] July 28 is the day set for Vietnam's official recognition as a full member of the region's most powerful political and economic alliance — the Association of Southeast Asian Nations (ASEAN).

Vietnam took up ASEAN observer status in 1992 and has been lobbying for increased involvement since then.

However, a recent working session held in Jakarta, Indonesia, highlighted the problems that need to be overcome before Vietnam can smoothly operate alongside its new associates and benefit from full membership.

Discussion is now focusing not on the question of whether Vietnam should join the movement, but rather asking if she is ready to meet membership requirements.

Vice Trade Minister Mai Van Dau, and Ministry Official Ngo Khac Nghia both participated in the working session held in late April. On his return, Nghia, a senior officer in the ASEAN section at the Department for Asia and the Pacific, and an expert on Singapore, emphasised the need for Vietnam to sign ASEAN's Free Trade Agreement (AFTA), and to join its Common Effective Preferential Tariff (CEPT) Scheme.

But the required reduction in import tariffs to five percent by 2003 presents Vietnam with a huge hurdle, one that she is not yet convinced she can overcome. Duties are now as high as 120 percent added on to the value of imported cigarettes.

Cutting tariffs is the necessary and only way to remove trade barriers between Vietnam and her new associates.

Relationships that have been carefully nurtured since the end of the cold war are now set to flourish, as trade and investment between Vietnam and her neighbours really takes off.

"Vietnam will certainly benefit from the phenomenal growth of its neighbours, and membership in ASEAN will mean a greater access to regional markets and investment capital" one US economist said.

The strength of the existing ties between Vietnam and her neighbours is shown in the amount of investment that ASEAN countries have already poured into Vietnam. Singapore is the third largest foreign investor, claiming a total investment of over US\$1 billion in 77 projects, and more than nine percent of the total direct foreign investment. Malaysia ranks seventh with US\$582 million total investment capital in 32 projects. Thailand is involved in 42 projects but has invested less capital with US\$226.6 million.

The ASEAN countries are also among Vietnam's most important trading partners, and Singapore is still holding the top position. Vietnam's population of 70 million is an ideal market for ASEAN traders, and by joining the organisation, ASEAN's total market will expand by more than 20 percent to 400 million, drawing even more foreign investors to the region.

The anticipated influx of ASEAN goods into Vietnam will probably push the current trade deficit even higher, but increased exports to the region should help to counter the effect. Another benefit from full membership will be Vietnam's increased involvement in the development and security of the whole region. ASEAN's goal is to become a 10-nation body, including Laos, Cambodia and Myanmar. [Burma]

Vietnam views membership as a launching pad to joining other global and regional economic organisations. Her immediate targets are the Asian-Pacific Economic Commonwealth (APEC) and World Trade Organisation (WTO), where Vietnam's status is only that of an observer.

Acceding to the CEPT Scheme is now a logical step after all the efforts made to join ASEAN. "Joining AFTA is being seen as a measure of Vietnam's willingness to enter ASEAN," said Nghia. "The Vice Minister's presence in Jakarta was a good sign, and the secretariat seemed pleased by his visit," he said.

Vietnam recognises that attempts to stay outside AFTA, after having joined ASEAN, will reflect badly on the country's trading status with its new friends. "This would be too much like playing an international game by our own rules," said Nghia.

The major challenges ahead, as addressed by Dau during the sessions, include Vietnam's low level of economic development and trade, compared with other ASEAN countries.

In 1994, gross domestic product (GDP) per capita was only slightly more than US\$200 and the nation's exports amounted to only US\$3 million.

Another problem is that the AFTA tariff system is not yet complete and subject to future restructuring and reform. Many analysts predict that the proposed deduction of import duties could hurt the economy of Vietnam in the short term, as local manufacturers have to confront tough competition from goods imported from their neighbouring partners.

"We have to accept that," Nghia said, insisting that the country is moving towards a market economy, which operates in an environment of free competition. "It will force us to improve the quality of our products to compete with other regional companies."

Robert Driscoll, president of the US-ASEAN Council for Business and Technology stressed that Vietnam should be integrated into AFTA within three to four years. "Vietnam still has a long way to go in the transformation to a market economy, in stark contrast to its competitive and dynamic ASEAN neighbours. To cope with the challenge of AFTA, Vietnam may in fact be forced to speed up the pace of economic reform," Driscoll was quoted as saying.

ASEAN representatives pointed out that there are a substantial number of products in Vietnam with tariff rates of zero to five percent, for example: live animals, stainless steel and fertilisers, which Vietnam should consider putting immediately into its inclusion list for the CEPT scheme.

ASEAN wants to impose a deadline of January 1, 1996 for Vietnam's package of products for inclusion in the CEPT Scheme, but it seems unlikely that this deadline will be met. One of the difficulties is the low production capacities of many of the products, compared to those in ASEAN member countries, Nghia argued.

Seminars on the CEPT Scheme will be held in Vietnam to help Vietnam formulate its own programme on implementing ASEAN's provisions.

Policymakers Encourage Foreign Investment

BK0806090495 Hanoi VIETNAM INVESTMENT REVIEW in English 15-21 May 95 pp 1,48

[Article by Nguyen Tri Dung]

[FBIS Transcribed Text] Vietnamese policy makers gathered in Hanoi last week to plan their strategy for

attracting foreign investment into the country's cash-starved agricultural sector.

Senior government officials attended the seminar on foreign direct investment opportunities in the areas of agriculture, forestry and fishery. Up to 300 foreign businessmen and diplomats were also present.

The meeting heard an opening speech by Party Central Committee Secretariat Member Hong Ha, who spoke of future reforms in agriculture.

"The Vietnamese Government is actively implementing the development of infrastructures and administrative reforms by simplifying all investment procedures," said Hong Ha.

His presence at the seminar was seen as an indication of the anxiety at the top of Vietnam's hierarchy about the slow development of agriculture.

Eighty percent of Vietnam's population live in the rural areas.

"It is necessary to outline investment programs with more defined objectives regarding the development of sugar cane, coffee, forestry, husbandry, fishery and farming in order to make the investments more effective," said Ha.

Ha told the assembled executives that defining the industry's objectives must be regarded as "urgent, in order to create favourable conditions for foreign enterprises investing in Vietnam."

In order to attract more foreign involvement in the various agricultural sectors, Vietnamese policy makers are looking at a series of tax and land rent incentives.

"We have recently decided to make a 25 percent reduction of land rent prices for all foreign-invested projects and we will continue to do so, particularly for projects in agriculture, forestry and fishery," Pham Van Trong, vice-minister of finance, announced at the meeting.

From 1991 to the present, Vietnam has experienced an average growth rate of 4.5 percent in agriculture, forestry and fishery - compared with 13 percent in industry, although there have been some successes in the agricultural sector.

The country's food issue has been solved as rice output increased from 19 million tonnes in 1990 to 26 million tonnes last year. And as well as being self-sufficient in rice, Vietnam exports 1.8 to 2 million tonnes per year, making it the third biggest exporter.

Farmers' incomes have increased, reaching a level in 1993 that was three times higher than in 1990. Yet the country's agricultural production remains small-scale,

with low output and generally poorer workers than in other sectors.

There still exists a large gap between Vietnam's agricultural development level and that of neighboring countries. This is characterised by a slow development rate, poor infrastructure, and underdeveloped rural industry and services.

According to Vice Premier Tran Duc Luong, from 1996 to the year 2000, Vietnam will pursue a series of policies to reform the agricultural sector by pushing up the expansion of high-yield plants, providing materials for the processing industries, widening offshore fishing areas, and developing the forestry economies.

Luong promised stronger measures to provide better incentives for foreign investors in the sector, including clearer taxation policies and attractive land rent rates.

"My government will create favourable conditions for any project on the new plantation of industrial plants, forestry, animal husbandry, aquatic farming," Luong told the seminar.

Vietnam's masterplan for agricultural development includes an increased rice output from today's rate of 26 million tonnes, to 30 or 32 million tonnes by the year 2000. The plan envisages a network of processing plants in the Mekong and Red River Deltas.

Today Vietnam has around 140,000 hectares of coffee plantations with a total output of 150,000 tonnes per year. The masterplan aims to increase that area by 50,000 hectares and raise output to 200,000 tonnes in the next five years.

Rubber production is regarded one of Vietnam's healthiest prospects with 230,000 hectares of trees and an annual output of over 100,000 tonnes. The government is endeavouring to expand the plantation area to 330,000 hectares and build up high-tech rubber processing plants.

The sugar cane processing industry is a sector which has the highest growth potential and is attracting the greatest investment capital. There are plans to increase processing capacity from 14,000 tonnes of sugar cane per day to 60,000 tonnes per day.

Other plantation crops such as tea, cashew, silkworm, cotton, vegetables, and fruits need to be developed at a much quicker and stronger rate.

To realise these projected figures, huge amounts of investment capital are required, for example, US\$200 million for rice production, \$500 million for rubber, \$100 million for tea, and \$800 million for sugarcane.

Since April this year, foreign investors have contributed US\$170 million in 100 percent foreign-owned projects - the biggest being a US\$38 million Taiwanese-owned project in Song Be province to raise cattle.

However, foreign direct investment in the agriculture, forestry and fishery sectors has been limited. So far, only six percent of investment in the sector has come from abroad.

The announced reduction in land rents is aimed at opening the way for overseas investors. According to Trong, all agricultural projects will enjoy a minimum land rent rate which will vary according to the category of the land. The average land rent rate will be US\$150 per year while in many cases, the land rent rate may be reduced to US\$30 per year.

With regard to forestry projects, in the first cycle when the plants have not yet produced crops, investors will not have to pay land rent prices. In addition, projects will receive up to 90 percent reductions in rents. For example, projects using land in mountainous areas may have to pay only US\$3 per hectare annually.

Agriculture, forestry or fishery processing projects which use agriculture land in inhabited rural areas will be charged from US\$30 to \$750 per hectare per year.

All projects for the plantation of long-term industrial plants will be exempt from rent during the capital construction period.

All forest plantation projects — an area regarded as needing special encouragement — will enjoy a preferential income tax rate of 10 percent, and are exempted from income tax rates for four years after making profits. They will also receive a fifty percent reduction in the following four years.

Leaders Observe Socioeconomic Development

BK0806103495 Hanoi VIETNAM INVESTMENT REVIEW in English 22-28 May 95 p 2

[Article by Nguyen Tri Dung]

[FBIS Transcribed Text] Vietnam's top leaders have been travelling to the country's heartland to see how the people are faring in the present economic climate.

Party Secretary General Do Muoi, President Le Duc Anh, Premier Vo Van Kiet and dozens of other senior party and government officials have visited provinces across the country to get a feel for the changes at grass roots level over the past 10 years.

The fact-finding visits will give leaders a vital insight into the state of the nation ahead of the Party's eighth national congress scheduled for next year. At the

congress leaders will discuss and approve plans not only for the next five years but into the 21st century.

"We are finding an economic model not only for today but tomorrow's generations," said Do Muoi adding that the policy of renewal and change has had some important successes and created a lot of challenges which must be considered when working out an economic model for Vietnamese society.

One of the main issues that is of concern to the party chief is how to help the State-owned economic sector maintain its leading role in the national economy.

In an effort to reform this sector and improve its performances, Vietnam has so far reduced the number of State-owned enterprises from 12,000 to around 7,000.

The latest statistics show that a significant number of State-owned enterprises are running at a loss. In Ho Chi Minh City, 15 percent of State-owned businesses are operating either at a loss or just breaking even. Many products manufactured by this sector are of low quality, and high price. And the distribution of rice and foodstuffs is mostly controlled by private businesses.

"What makes the State-owned distribution branch neglect the distribution of our society's most crucial products like food?" Do Muoi asked at meetings in Hanoi and Ho Chi Minh City.

He believed the main reason is that most of the State-owned businesses are running short of capital, and State management control has lessened, while many enterprises are only pursuing profits and do not pay enough attention to the retail distribution network which has been in operation for years.

"Strengthening the alliance between workers and farmers constitutes the main guideline of policies pursued by our party and the state, and so the State-owned economic sector must not neglect the close ties with farmers and leave them in the hands of private distributors," Muoi said.

Citing figures released by Hanoi authorities, Muoi said the market share of goods distribution by State-owned businesses in Hanoi has decreased to 31 percent from 85 percent. The total number of trade cooperatives has decreased from 359 units to just 22.

"We are adopting the market mechanism under State control as we have enough means and power to make adjustment by encouraging and developing productivity and the distribution so as to create a stronger country, a wealthier population, and a healthier society. The market mechanism is not contrary to socialism," Muoi maintained.

Arguing that not all the State-owned businesses are running at a loss, Muoi insisted that in spite of capital shortage, there are always ways to settle the issue but it depends on the people involved in this sector. "We need dynamic and patriotic businessmen rather than those who only love money," he said.

Muoi stated that correct way to solve the capital shortage is to implement an equitisation policy. "We must find measures to ensure the harmonious balance between the workers' interests and those of the State-owned enterprises," he said, adding that a correct equitisation scheme will help solve the capital shortage and motivate the workers.

The plan, first implemented in 1992, has moved slowly for several reasons: many management officials have created obstructions as they fear that once enterprises are equitised, they will lose power while their duties and responsibilities will increase in line with the success or failure of the enterprises' performances.

Most workers, especially those who are employed in successful enterprises, have also shown a reluctance when it comes to equitisation as they feel uncertain of their incomes. Under the current subsidised system nobody but the State and the workers bear the consequences if the enterprise runs at a loss.

Do Muoi strongly urged the early emergence of a share market in order to attract all capital sources.

"The establishment of such a market is a requirement today and we need a move towards solving the capital shortage, widen the investment scope and push forward trade and production activities of all enterprises including state-owned ones," said Muoi.

Addressing the foreign-invested sector, he claimed that one of the most prominent aspects is a lack of orientation and coordination. Muoi said that in most cases the local authorities fail to "control" the activities of Vietnamese officials working for foreign-invested businesses and the contribution rate to the joint venture is often low on the Vietnamese side and high on the foreign side.

Construction Minister Interviewed on Reform

BK0806051295 Hanoi VIETNAM INVESTMENT REVIEW in English 15-21 May 95 pp 22, 23

[Interview with SRV Construction Minister Ngo Xuan Loc by correspondent Le Quoc Vinh; place, date not given]

[FBIS Transcribed Text] **What do you think about the ongoing push for administrative reforms by the**

Ministry of Construction, particularly with the issue of licensing projects?

The purpose (of the reform policy) is to consolidate social development in the right direction as to provide sufficient support to the people. This is an essential issue relating to the whole development mechanism (in terms of policies and human resources) that requires long term solutions. A concrete and detailed plan is urgently necessary for the near future.

This is a vital demand and focus for our State in order to raise up a clean and capable administrative system which uses its power properly and is gradually modernised to allow for an efficient and effective State management structure.

The policy on administrative reform was first promulgated by Decree 38/CP — released by the Government on April 5, 1991 — and the Decree of the Eighth Conference of the Central Communist Party.

To implement the plan forwarded by our ministry toward better construction management, the Government has issued Decree 177/CP while the Ministry of Construction (MOC) and other relevant offices have issued 19 guiding documents while eliminating 18 existing ones. Four other documents will be publicised in the second quarter of 1995 by the MOC to supplement and replace 10 previous ordinances. After one year of implementation of Decree 38/CP, the ministry has checked over 120 different legal documents.

Concerning construction management of foreign invested projects and foreign contractors working in Vietnam, the MOC issued ordinance 08/BXD-CSXD on March 30, 1995 to replace four previously released ordinances. The new ordinance has simplified the evaluation procedure for foreign-invested projects and reduced the evaluation time down to 20 days. Licensing procedures were also cut to 10 days. The ministry has also set up an evaluation office to handle all projects.

How do you feel about the rapid pace of urban development in the past few years? Do you see any problems and possible solutions, especially for foreign invested projects?

Urban development, financed solely by the state budget a few years ago, now must seek out different capital sources. Cancellation of state subsidies, along with privatisation of housing funds, has sparked great excitement in the construction market in all urban centres. This has dramatically boosted the process of urbanisation.

In 1994, Ho Chi Minh City granted 11,101 construction licences with 937,095 square metres for large project

and 1,669,335 square metres for housing construction (ten times the total licensed areas for the previous ten years). In Hanoi, the number of licences was 1,872 involving a total land area of 1,298,407 square metres. Development in these urban centres has resolved many flaring social problems, including unemployment, lack of housing for urban residents and social tensions, while promoting the construction industry in general and the construction material industry in particular.

However, there remain some problems in urban development, one of is the frenzied construction that does not follow established masterplans. Many structures built by residents fail to promote a pleasant appearance for urban centres and are not appropriate for the general scenery and culture of Vietnam.

The taking over of public land and the real estate black market have given opportunities to speculators to raid the State's valuable land and to expand smuggling, tax evasion and other illegal activities for profits.

Solutions should include the unification of legal documents and policies, consolidation of detailed masterplans and assertive implementation of these policies. Land and construction licensing procedures in urban areas are still too cumbersome.

The Government, the Ministry of Construction, and other relevant agencies have publicised some very important stipulations in these areas: management of foreign investment in construction projects, urban development and rights of housing ownership, including buying and selling of houses.

A big concern is the drafting of masterplans. To implement these legal documents requires the effort and cooperation among the people, social organizations and governmental bodies, particularly municipal authorities in major cities.

Detailed masterplans must be released to the public and construction must be frequently inspected to make it adhere to the masterplans.

An important policy of the Government is to sell State-owned houses to tenants. How do you feel about the implementation of this policy?

To fully erase the policy of subsidies and to privatise State-owned houses, in July 1994, the government released Decree 60/CP on housing sales and Decree 61/CP on housing ownership and land use right in urban areas.

To implement this policy, the government has established recently the Central Directive Committee (to oversee) issues relating to residential houses and land. Similar organizations have also been set up in every

locality. The Central Committee has trained local agencies throughout the country and is leading the pilot campaign in Hanoi and Ho Chi Minh City. These two cities have their own plans which have been approved by the People's Council and are about to be submitted to the Government.

Today, Hanoi is selling State-owned houses in Giang Vo district, 92 Cua Bac, 33 Nguyen Binh Khiem and on Doi Can Street. Ho Chi Minh City is also selling around 500 houses to selected residents who were revolutionaries before the August Revolution, families of soldiers who died in the war, war invalids and retired officials that have been Party members for at least 40 years.

Recently, in a move to replace inter-ministerial stipulation 03/TTLB, the Ministry of Construction has submitted to the Government a new proposal to determine house leasing rates for foreigners. Could you please tell us about the changes and the proposed rates?

The State will issue minimum leasing rates. Each locality, however, will have its own rate to be determined by both local circumstances and the Government base rate.

The housing lease can be negotiated between the lessee (to be stipulated in their contract) but should not be lower than the minimum rate defined by the provincial authorities and the Government.

In order to execute Policy 38/CP, the Ministry of Construction is chairing the discussion to establish a new stipulation on foreign housing lease to replace Decree 389/HDBT of the Government and Ordinance 03/TTLB dated April 8, 1991.

Commodity Prices Committee Reports on Work

BK0806014795 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 6 Jun 95

[FBIS Translated Text] In Hanoi this morning [6 May], the Government Commodity Prices Committee [GCPC] held a news conference to inform the public of the commodity price situation over the past five months and the measures to stabilize prices in the days ahead. Following is our correspondent's report.

Comrade Tran Quang Yem, chairman of the GCPC, who chaired the news conference, said that according to the General Statistics Department the retail prices of commodities, services, and consumer goods in May increased by 10.5 percent compared with December 1994. The price of grain increased by 17.2 percent, food products by 18.2 percent, nongrain and nonfood products by 4.9 percent, and services by 5.8 percent. There was no report on any price increases for gold and the U.S.

dollar. On average, the prices of goods and services increased by about 2 percent monthly. The cause of this price increase, especially during the early months of this year, was due to imbalances in the supply of and demand for a number of important goods despite the fact that production was increased. The consequences of the 1994 floods have continued to affect commodity prices this year. Thanks to an improvement in the people's incomes and wages, demand for goods and commodities increased during the Lunar New Year while settlement of debts also went smoothly despite a large number of debts remaining from 1994. Moreover, price increases in the world market of such items as paper, gasoline, and cement have also affected domestic prices. Nevertheless, we should also consider the effectiveness of the financial, monetary, and state management systems to determine the cause of the price increases.

To stabilize prices during the Lunar New Year, the government provided guidance for ministries and people's committees of provinces and cities to ensure sufficient goods to meet the people's demands. Regarding grain, the government approved a fund to provide a 100-dong subsidization for every kilo of grain purchased in the north to encourage the shipment of rice from the south to the north. It has also guided ministries and sectors to improve various means of transportation and to provide consultation on transportation fees from the south to the north. As a result, more than 700,000 tonnes of rice were shipped from southern to northern provinces, thus helping to stabilize the price of rice in the north during the preharvest lean period.

Concerning fertilizer, the government has urged ministries concerned to strive to balance their supply and demand, and guided various fertilizer trading companies to promptly import fertilizer at the lowest price to meet demands for the summer-fall and 10th month rice crops this year. Thanks to this effort, the retail price of urea fertilizer was more or less stabilized. Regarding efforts to stabilize the price of paper, the government has instructed ministries, sectors, and provinces to engage in joint ventures to stabilize the price of raw materials for paper manufacturing; it also approved a 50-percent tax reduction for capital depreciation and exempted the tax levied on invested capital so as to reduce the high price of paper while ensuring profits for paper manufacturing plants. In an attempt to slow down the cement price fever, the government has approved the application of the price situation policy to make the value of cement closer to the actual market price, while opposing negative practices and suppressing speculation. It has also urged the Vietnam General Cement Corporation to supply more cement to key and major markets to gradually help decrease the high price of cement.

After analyzing the pros and cons and the factors that may cause the commodity price increase in the last six months of the year, the GCPC has filed an eight-point report to the prime minister that is aimed at regulating the prices of a number of commodities and raw materials, stabilizing production, and improving the people's daily life as follows:

1. All efforts must be made to balance the demand for and supply of grain especially in the event of a crop failure. We must ensure sufficient grain for domestic consumption and export only the surplus. We must continue to provide a partial subsidization for the bank interest loans granted to purchase grain for distribution and for strengthening the national reserve so as to stabilize grain prices in the north and the south while striving to ensure a rational price for grain throughout the country.
2. We must strive to closely watch developments in the urea fertilizer market to promptly adjust the additional taxes levied on fertilizer to firmly maintain the domestic price at 2,700-3,000 dong per kilo.
3. The GCPC proposes that the Prime Minister approves the three month extension of a partial subsidization for the bank interest loans granted to purchase and import sugar for stock.
4. Efforts must be made to provide a 100-percent subsidization for the bank interest loans up to September 1995 to purchase sufficient printing paper for the 1995-96 academic year. It is necessary to reduce taxes levied on imported printing paper from 20 to 10 percent and writing paper from 40 to 20 percent, while applying a price subsidy policy for a number of newspapers and publishing houses that print newspapers and books to support political activities.
5. We must gradually adjust the price of gasoline to the maximum rate already set for various appropriate times. For diesel and mazut oil [a liquid residue from the distillation of Russian petroleum that is used chiefly as a fuel oil] — which are currently sold at the world market price — it is necessary to reduce the import tax of diesel oil from 30 to 20 percent, and mazut oil from 10 to zero percent.
6. If the price of iron bars and steel is relatively high, it is necessary to reduce the additional taxes levied on these items to create a rational price index so as to prevent [words indistinct]
7. It is necessary to satisfactorily organize the importation of cement, strive to balance its supply and demand to meet requirements in the construction season. Efforts must be made to stabilize the maximum price of cement at 900-1,000 dong per kilo as set by the GCPC prior to

the price crisis. We must also strive to study and improve the cement importing system, adjust taxes levied on exported cement, and regulate the wholesale system while expanding the retail network to supply sufficient cement to construction sites and to individual consumers at the government set price.

8. We must satisfactorily adjust electricity fees to increase the average rate from 500 to 550 dong per 1kw/hour. However, exemption should be applied to certain consumers to avoid serious effect on production and the people's daily life.

Answering the reporters' question on measures to stop the cement price fever, the GCPC chairman said that the most effective solution now is to increase the price of cement so that it is closer to the actual market price. He said that although the cement price fever is artificial, it is difficult to explain the issue to the people. Concerning the government's indecision in increasing salaries for cadres and workers to compensate for the over 10 percent increase in commodity prices, the GCPC chairman said that this was due to the low collection of our state revenues. He stressed, however, that the GCPC has proposed a solution to the issue to the government, but the latter has made no decision so far.

Government Reduces State Enterprises to 6,000

BK0706122195 Hanoi VIETNAM INVESTMENT REVIEW in English 15-21 May 95 p 13

[Article by Professor and Dr. Phan Van Tiem]

[FBIS Transcribed Text] There has been a sharp decline in businesses in the State sector over the past years from 12,297 in early 1990 to 6,000 this year. These changes are a result of the Government's reorganisation of the State sector - a process in which two or three businesses are often merged to form one stronger company.

Remarkable results from the reforms have led to a conclusion that it is necessary to continue the process, in which State-owned companies will be reduced while State stock businesses will increase.

The equitisation process should also ensure that the majority of stocks are sold to State employees.

The State Enterprises Law, approved by the National Assembly in April, was a turning point, creating a favourable legal base for the restructure of State businesses.

The law has taken a huge step towards handling the contradictions and obstacles in managing businesses to heighten economic effectiveness.

The inevitable consequence of the of law is that the right to take initiatives and the responsibilities of businesses are more clearly defined.

Effectiveness, losses and profits and the development of business will now depend largely on managers and the executive body of workers.

Facts show that the increase of capital going to State businesses to enable them to update technology is a key factor in raising effectiveness.

These businesses will, in turn, develop a strong foot hold in the market and be able to expand their production while workers will receive better wages.

At present, the most urgent problem is to develop all forms of capital markets in which businesses do not only play the role of stock sellers but also key buyers.

The laws on equitisation and the stock exchange market, therefore, should be activated soon to create a strong lever for the restructuring of the State-owned business system in terms of both quality and quantity.

The reform of the business accounting system, the establishment of independent auditing stipulations and the State auditing agencies are also indispensable conditions to facilitate the ongoing process of restructuring of the State business sector.

Prime Minister Arrives in Stockholm

BK0806092095 Hanoi VNA in English 0517 GMT 8 Jun 95

[FBIS Transcribed Text] Hanoi VNA June 7. — Vietnamese Prime Minister Vo Van Kiet, his wife and entourage arrived in Stockholm on Tuesday, beginning a two-day official visit to Sweden as guest of Prime Minister Ingvar Carlsson.

Earlier the same day, Vo Van Kiet concluded his three-day visit to Finland, the fourth leg of his current six nation trip to Europe which began on May 28.

Mr Kiet was seen off at the airport by Finnish Prime Minister Paavo Lipponen who expressed his belief that the fine success of the visit would usher in a new era in the comprehensive friendly and cooperative relations between Finland and Vietnam.

While in Finland, Vo Van Kiet called at the Union of Forest Industries and Enso Company, inquired into the pulp and paper industry, which has helped Finland become the world's second largest paper exporter, and the ship-building industry. He also addressed a seminar on cooperation and investment in Vietnam hosted by the ASEAN-Vietnam Trade Federation of Finland.

Vietnamese business people accompanying the prime minister had worked with their Finnish partners on measures to be taken to promote cooperation areas they were interested in.

General Director of the Vietnam Power Corporation Le Liem and chairman of the Finnish export credit fund Anttilehtinen signed an agreement on the latter's USD 1.9 million loan to Vietnam. The loan will fund the purchase of equipment for two 110-kv transformer stations in Buon Ma Thuot and Kontum, both in the central plateau of Vietnam.

Prime Minister Approves Rural Development Group

*BK0806100395 Hanoi Voice of Vietnam in English
1000 GMT 7 Jun 95*

[FBIS Transcribed Text] The Vietnamese Prime Minister has approved a project to organize a young volunteer intellectual troupe for rural development. The project will be carried out about two years in three to five provinces.

The troupe's task is to contribute to changing the face of rural Vietnam by boosting the economy, eradicating illiteracy, achieving compulsory primary education, improving medicare, and protecting the environment.

Australia**Japanese Remorse for War Deeds Welcomed**

*BK0706032995 Hong Kong AFP in English
0315 GMT 7 Jun 95*

[FBIS Transcribed Text] Sydney, June 7 (AFP) — The Australian government Wednesday welcomed Japan's expression of remorse for its deeds during World War II while veterans demanded an outright apology.

Japan's three ruling parties agreed Tuesday to express remorse for the sufferings of other countries, particularly in Asia, as a result of past actions.

They also agreed, in a resolution aimed at marking the 50th anniversary of the end of the war, to reflect deeply on Japan's past colonial rule and acts of aggression.

A spokesman for Australian Prime Minister Paul Keating said journalists were always asking for an apology but Japan had expressed its "heartfelt sorrow" to Australia in 1957.

During a visit to Tokyo on May 25, Keating urged Japan to "confront the past" by being more frank about its aggression in the Pacific during World War II.

"This process that they are going through now is part of the process of coming to terms with their past and it is a good thing," Keating's spokesman told AFP.

"We believe that an apology has been made, but they need to confront their past as a nation if they are to move forward less self consciously in their own region."

Major General William James, president of the veterans' Returned Services League, said the Japanese expression of remorse was a step in the right direction but fell short of an apology.

"To feel remorse is one thing but to apologise is really what we are after."

James said about 28,000 Australians were taken prisoners of war by Japanese forces in World War II, about half of whom did not survive.

He said the league wanted Japan to teach a frank history of its role in the war to its schoolchildren and to make an outright apology, preferably through the imperial household.

An apology was required for veterans and for the surviving dependents of those killed, James said. "There is a very large number of people who go to bed every night and kiss photographs of their sons or husbands who did not come back.

Editorial Assesses Keating Trip to Japan

*BK0706131895 Sydney THE AUSTRALIAN
FINANCIAL REVIEW in English 29 May 95 p 18*

[Editorial: "Keating's Trip Yields Real Gains"]

[FBIS Transcribed Text] The Prime Minister, Mr. Keating, returned from Japan last night with more to show for his three-day stay than simply his honorary doctorate from Keio University. For, in contrast to his previous visit this trip has generated some valuable, if somewhat intangible, gains.

Probably the most important of these is the sense that Australia is well on the way towards building a new, more mature relationship with Japan—one where it is not felt necessary always to support our biggest trading partner, almost at any cost, but where constructive criticism is accepted as a legitimate part of the dialogue.

This was demonstrated most clearly when Mr. Keating, in the context of the trade war between Japan and the United States, moved away from laying the blame mainly on the US and instead pointed to the need for Japan to make a bigger effort to deregulate its economy. As Mr. Keating observed: "In Australia's view, these reforms have not yet gone far enough."

Japan, he said, should not rely on other countries to fix its exchange rate troubles. The solution, instead, depended on Japan's facing up to the hard decisions that were required for it to push ahead more vigorously with its own internal deregulation.

These points needed to be made. That they could be, without damaging Australia's relations with Japan, was shown by the nature of the final communique which, at Japan's request, spoke confidently of building an "enduring and steadfast partnership".

What makes these developments particularly significant is the fact that, before Mr. Keating's departure from Australia early last week, the message coming out of Canberra in response to the US-Japan trade battle was distressingly anti-American.

While the US most definitely is not without fault, the fact is its tariff threats were made partly in response to Japan's failure to do more to open up its economy. Such an opening-up is a development which, in the long run, would serve Australia's trade needs, not just America's. Given this, Mr. Keating's decision, while in Japan, to adopt a more even-handed approach makes a lot of economic sense.

It also makes good sense from another, equally important perspective—regional security. Once again, while

the US involvement in the Asia-Pacific area is not without its drawbacks, there is no doubt that the benefits well and truly outweigh these. The fact is, the strategic balance in the region depends, at least at this stage, on the active involvement of the US.

It is crucial that Australia makes sure it does nothing to give any encouragement to those in the US who would seek to use the threat of withdrawing American defence assistance as a bargaining chip in the trade war with Japan.

Far from withdrawing from the region, the US must remain firmly involved in order to ensure there is a strategic balance at a time when China is looking to build its military strength. Without a US presence, Japan would have little choice but to undertake its own rearmament program.

Given the historical animosity between China and Japan, increased defence spending by the latter, while a reasonable response, would hardly serve the interest of long-term regional stability.

To help avoid the risk of such a development Australia needs to do what it can to ensure the US-Japan war does not escalate. While Mr. Keating's influence in this respect is, at best, marginal, his more even-handed approach while in Japan at least avoided aggravating the situation.

As such it appears to reflect a more sophisticated approach to Australia's relations with Japan than that shown during his last trip. On that occasion, the sole purpose appeared to be to defend Australia's trading interests, with little thought being given to the wider, diplomatic environment.

That this sort of simplistic approach has been abandoned is also suggested by the relatively low-key stance taken by Mr. Keating on sensitive issues surrounding the Asia Pacific Economic Cooperation forum (APEC), the next gathering of which will be hosted in Osaka by Japan in November.

At the moment, the key issue is the question of whether APEC countries should move, as Japan argues, towards opening their markets to all countries worldwide or, as the US maintains, only to other APEC countries.

Australia, in general, supports Japan's non-discriminatory approach. Despite this, Mr. Keating did little at least publicly, to push this line and instead spoke generally of the need for Japan to take a leadership role in promoting the APEC trade liberalisation agenda.

Overall, Mr. Keating's trip to Japan provides welcome evidence that the Federal Government is committed to

doing what it can to ensure the strains in US-Japan relations do not reach breaking point.

By acknowledging, at least implicitly, that Australia needs to encourage the active involvement of the US in Asia, while at the same time building ever closer relations with Japan, it has served this country's interests well.

Trade Minister on Russian Trade, Growing Debt

*LD0706130395 Melbourne Radio Australia
in English 1100 GMT 7 Jun 95*

[FBIS Transcribed Excerpt] Australia says it is hopeful that a \$380 million debt owed to it by Russia will not threaten relations between the two countries. Australia has raised the debt issue during talks in Canberra with a visiting Russian delegation. Russia inherited the debt in the form of wool and wheat credits when the Soviet Union collapsed in 1991. Australian Trade Minister Bob McMullan says trade between both countries is now growing again and will not be held back because of the debt:

[Begin McMullan recording] I see no sign that Russia does not want to meet its obligations, (?and we) recognize it cannot do everything at once. We want to see a democratic Russia. We want to have a continuing strong contemporary trade and if that requires us to cooperate with all the other countries who have debt problems to negotiate some reasonable schedule of repayments, well, that's something we are prepared to look at. [end recording]

[passage omitted on Russian delegation head saying Yeltsin would like to visit]

Keating Outlines Plan for Creating Republic

*BK0806024195 Melbourne Radio Australia
in English 0100 GMT 8 Jun 95*

[FBIS Transcribed Text] The Australian prime minister, Paul Keating, has begun the task of selling his government's plan for Australia to become a republic, focussing heavily on the need for an Australian head of state. The prime minister has outlined his plan for an Australian president elected by a two-third majority at both houses of the Federal Parliament.

Michael Rowland reports Mr. Keating spoke this morning on the ABC's [Australian Broadcasting Corporation] current affairs program AM:

[Begin recording] [Rowland] Mr. Keating has stressed his proposals involved only minimal change, with Australia remaining a member of the Commonwealth and the president retaining the reserve powers now held

by the governor general. This morning Mr. Keating has begun the task of winning support for the republic, telling AM of the logic of having an Australian as the new head of state:

[Keating] As I said last night, that president should be one of us, and only an Australian can represent the aspirations of our people. [end recording]

However, Liberal MP's, including Bronwyn Bishop, are accusing the prime minister of seeking to dupe the public:

[Begin recording] [Bishop] To say you can have a minimalist change — just change a bit, everything will go on just the same — is just a nonsense. It is like saying you can be a little bit pregnant. [end recording]

Britain has distanced itself from Mr. Keating's plan. The British Foreign Office said the proposal is entirely a matter for the Australian Government.

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